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JORDANIAN-IRAQI ECONOMIC TIES STRENGTHENED

London 8 DAYS in English No 32, 15 Aug 81 pp 36, 37

[Article by Steve Ross]

[Text]

IRAQ's first deputy premier, Taha Yassin Ramadan, is expected to finalise several agreements on trade and economic cooperation when he visits Jordan later this month, adding still more momentum to Jordanian-Iraqi economic integration.

The shape of things to come was indicated during the April visit to Baghdad of a committee headed by the Jordanian minister of industry and trade, Walid Asfour. At the end of the visit a trade protocol was signed specifying an increase in the import quota for Jordanian goods, organised via the Jordanian trade centre in Baghdad, from Jordanian dinari 4m to JD11m (1JD = \$3). Also specified were a further Iraqi loan of JD30m for Jordanian road construction — bringing the total of recent Iraqi road loans to JD45m — and an agreement on the investment of JD11m in Jordanian industries and joint ventures.

Asfour's team also submitted, and Iraq welcomed in principle, the outline of a proposed Iraq-Jordan joint company for industry, and Iraq was receptive to Jordanian proposals that it put up 15-20 per cent of the JD45m capital for a cement factory at Rashadiya to be built by the Mitsubishi Corporation, and JD1.5m of the JD4m capital required for a new textile venture. Iraq was also reportedly very interested in a proposal for a food packaging industry, currently the subject of a feasibility study.

Other possible joint enterprises — the details of which may become clearer after Ramadan's visit — are wood processing ventures, a car, bus and truck assembly plant and the manufacture of agricultural equipment, refrigerators and air conditioners.

The private sector has also been active in bringing Jordan and Iraq closer: Amman chamber of industry director Ali Dajani told *8 Days* that trade relations were 'actually developing into wider integration of economic interest', although Jordanian commercial banks were not yet operating in Iraq. He emphasised that Jordan's Aqaba port, which rapidly became more important to Baghdad after the start of the war with Iran, would remain a 'permanent backbone port' for the Iraqis; Iraq's own Basra port will be highly congested, Beirut is crippled, and Latakia is too small, he said, 'so they have to depend on Aqaba'.

Among the factors making Aqaba attractive, Dajani added, are the 'shortcut route' to Iraq which will be provided when new roads are built with the help of the Iraqi loans, and the new \$50m joint transport company, set up last year, which is buying 700 heavy trucks from the West German firm M.A.N. and plans to open a string of garages and repair shops along the Jordan-Iraq route.

'We expect some joint ventures in the importation of certain goods needed by

both countries,' Dajani also noted. As an example, he cited the possibility of jointly importing edible oils from southeast Asia — 'I imagine in the future a plant at Aqaba with storage tanks' — to take oil from ships for distribution to Iraq, Jordan and possibly other Middle East countries.

Dajani mentioned the contrast between the new JD11m import quota for the trade centre at Baghdad and the original figure on its establishment in 1970: JD250,000. The quota is an important factor in facilitating trade between Jordan's free enterprise economy and Iraq's socialist economy. 'Public sector establishments in Iraq should import JD11m worth of goods from Jordan a year,' Dajani said. 'If they don't, we are free to sell on the open market.'

Iraqi private companies have been authorised to import certain kinds of commodities, mostly consumer goods; the balance of trade was in Jordan's favour for the first time last year, and during the first

six months of 1981 the Amman chamber of industry certified JD26m worth of exports to Iraq. Dajani estimated that exports through other bodies would be worth around 20 per cent of that figure. Jordanian exports include processed foods, prefabricated houses, refrigerators, cookers, ceramics, handbags, pharmaceuticals, furniture, clothing, plastics and cigarettes.

During a nine-day visit in May, a three-man Iraqi delegation visited 40 factories and met representatives of 150 firms to investigate the export potential of Jordanian industry. They were impressed both with the quality and the potential quantity of what they saw. Jordanian industry has a great deal of dormant capacity, Dajani told *8 Days*, and given a buoyant market — which it seems to have in Iraq — many factories could easily gear up to two shifts, whereas at present they are operating on one.

CSO: 4300/89



## INTER-ARAB AFFAIRS

### IRAQ TALKING TO SAUDI ARABIA ON OIL PIPELINE

NC091555 Paris AFP in English 1524 GMT 9 Aug 81

[Text] Nicosia, 8 Aug (AFP)—The Iraqi Government is in the process of negotiating the construction of a pipeline between its oil fields south of Bassorah through Saudi Arabia to a terminal on the Red Sea, according to Middle East Economic Survey published in Cyprus.

The Saudi Government, according to the publication, has already given its agreement to installation of the pipeline on its territory, but has informed the Iraqis that they will have to build their own terminal.

Saudi Arabia recently opened a new Red Sea terminal at Yenbo, but told Baghdad that Yenbo was available only for Saudi oil, the magazine added.

It recalled that Baghdad was seeking to open an alternative route for its oil because the war with Iran has rendered the two Iraqi terminals at the mouth of the Gulf impracticable.

These terminals, at Khor-al-Amaya and Muna-al-Bakr, used to receive 3.5 to 3 billion barrels a day. The current Iraqi production of 1 million barrels is mainly funnelled through Syria and Turkey.

For political as well as technical reasons, the magazine said, Iraqi oil exports via Syria have been limited to 300,000 barrels a day, while the Iraqi petroleum company's pipelines through Syrian would have a capacity of 1.2 million barrels.

CSO: 4300/90

## INTER-ARAB AFFAIRS

**KUWAITI-IRAQI RELATIONS**--Reliable sources in Kuwait have stated that Kuwaiti relations with the bedouin Saddamist regime are currently strained. Observers believe that this change in relations has come about as a result of the interference of Saddam's mercenaries in Kuwait's internal affairs, through their acts of sabotage and detonating bombs in public places and governmental establishments. Reports from Kuwait quoting these diplomatic sources reveal that the Kuwaiti Government intended to blame the Iranian Muslim strugglers for these acts. However, following the arrest of some Ba'thist mercenaries and the flight of some others to Baghdad, the situation became clear and Saddam's conspiracy was uncovered--the expansionist goal of Saddam's regime was made clear to Muslim public opinion in Kuwait. Observers add that through these operations, Saddam Husayn wanted to link Kuwait and the rest of the Gulf regimes to his imperialistic war against the Islamic Republic of Iran and its revolution, after it became clear to all that he had failed to achieve the goals for which he waged this war. [Text] [GF200941 (Clandestine) Voice of the Iraqi Islamic Revolution in Arabic 1740 GMT 19 Aug 81]

**KFAED LOAN TO YAR**--The Kuwait Fund for Arab Economic Development (KFAED) has extended a KD 400,000 (\$1.4 million) loan to North Yemen to finance its share of a pan-Arab telecommunications project. The loan, announced in Kuwait, will go towards the pan-Arab network linking Djibouti, Somalia and North Yemen to the rest of the Arabian peninsula and the Horn of Africa (See an-Nahar Arab Report & Memo, July 6). The terms of the latest KFAED loan were not disclosed. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 32, 10 Aug 81 p 8]

CSO: 4300/91

## AFGHANISTAN

### KARACHI PAPER REPORTS HEAVY FIGHTING IN AFGHANISTAN

#### Golbahar District

GF151656 Karachi JASARAT in Urdu 10 Aug 81 p 1

[Text] Peshawar, 9 Aug (PPI, AAP)--Bloody conflicts have been reported from the Golbahar District in Parvan Province between Mojahedin and Soviet forces. According to these reports, the Soviet troops attacked with the latest arms and ammunition and with the help of their air force, but the Mojahedin displayed their usual courage and inflicted heavy casualties on the enemy and at least 300 Russians and Afghans were killed and a large arsenal of equipment fell into the hands of the Mojahedin. A large quantity of armored vehicles and tanks were destroyed in the clash.

According to a report, the Mojahedin seized an army truck loaded with military equipment and large quantities of rifles, 5 mortar guns, 1 machinegun, 40 Kalashnikovs and 15 handgrenades. Three Mojaheds drank from the goblet of martyrdom. A Hezb-e-Eslami source from Samangan Province says that Mojahedin attacked Soviet forces in Morghab District and killed 22 Russians and government forces who belonged to the Parcham faction and destroyed 2 tanks on the Morghab highway. Continuing their assaults, the Mojahedin killed six members of the militia, one of whom was a clerk. The Russians forced the Mojahedin to retreat by using tanks. Heavy fighting has been raging in Herat for 20 days and both sides have suffered heavy losses in men and materiel.

In these clashes, Jami'at-e Eslami-ye Afghanistan Commander 'Abdol 'Aziz Khan and 10 others were martyred. According to latest reports, the Afghan freedom fighters attacked Herat and government and military installations in the province.

On 18 July, in a 12-hour long clash, in the Enjil subdivision, 10 enemy soldiers were killed and more than 20 wounded. On 21 July, freedom fighters of the Jami'at ambushed the Iraqi Darwaza police station and killed an officer and another person. One officer joined the Mojahedin and brought his Kalashnikov and two radios along with him. On the same day, government forces attacked (Rayamandgan) village in Herat District and killed three persons. The Mojahedin retaliated and killed 21 persons and destroyed an armored vehicle. The enemy was forced to retreat after a furious 3-hour long battle. The Mojahedin then attacked a military convoy on the Kabul-Herat highway and captured a Russian and an Afghan Government soldier, who were sentenced to execution by an Islamic court.



On 26 July, in Balva in Herat subdivision, Mojahedin camps were shelled by helicopters and six Mojaheds were martyred, but the Mojaheds managed to shoot down one helicopter.

On 29 July, a police post at Qandahar Darwaza in Herat District was destroyed under the command of Commander Fazal Ahmad. Three Afghan officers fled while thirteen were killed. A member of the Parcham faction was captured and later executed.

#### Balkh-Jowzjan Convoy

GFI61638 Karachi JASARAT in Urdu 12 Aug 81 p 12

[Excerpt] Peshawar, 11 Aug (PPI/AAP)—Mojahedin operations against Soviet and Karmal forces continue. The Mojahedin attacked a Soviet convoy enroute to Balkh from Jowzjan killing a large number of Russians. Two tanks and three armored vehicles were set on fire.

In an attack on Soviet forces in Short Tappeh, the Mojaheds killed 35 Russian and Karmal forces and destroyed 2 tanks and an armored vehicle. Seven Russians were killed in Ghazni and an enemy tank was blown up. According to informed sources from Paktia, the Mojahedin ambushed a military vehicle on the (Garmgrevel) highway and destroyed it with rocket launchers, as a result of which 43 Babrak soldiers were immediately killed.

Government installations in Takhteh Pol area in Qandahar subdivision were attacked and two tanks and a truck were destroyed. Four persons were killed.

In Arghandab division in (Gali Manadi), a mosque was desecrated in an air attack by enemy forces. Two women became victims of enemy firing.

CSO: 4656/2

## ALGERIA

### CABINET DECISIONS ON INFRASTRUCTURE, EDUCATION REVIEWED

Algiers EL MOUDJAHID in French 15 Jun 81 p 1

[Text] Algiers (APS)—The cabinet met yesterday, 14 June 1981, at the residence of President Chadli Bendjedid, secretary general of the FLN Party, who also presided over the meeting.

The cabinet heard a statement by the prime minister on government activities during the past week.

Regarding the report of the minister of transportation and fisheries, after an examination of the general situation affecting the ports of the country the cabinet adopted a series of measures aimed at improving the situation affecting port installations, their functioning, and aimed at increasing their profitability. These measures essentially involve the following:

#### I. Use of the Ports

--The reactivation of the permanent programming and coordinating committee established by Decree No 75-72 of 17 June 1975, whose composition will be modified, taking into account the important ship operators directly concerned;

--The acceleration of port restructuring;

--The improvement in the storage of merchandise and particularly the encouragement of containerization;

--A study for the establishment of a system for the accelerated removal of strategic products from the ports;

--Improvement in the speed of unloading operations and the removal of merchandise from the ports;

--The recourse to combined transportation operations with the establishment of a specialized transportation company whose essential mission would be the removal of merchandise from the ports to company storage areas;

--The specialization of specific piers or even of ports and the construction there of appropriate equipment.

## II. Regarding Equipment and Construction

### 1) Acceleration of planned operations and particularly:

- Equipping docks with engines to move ships;
  - Reconstruction of the Annaba and Wahran storage silos;
  - Electrification of the ports;
  - Development of the open storage areas;
  - Construction and conversion of warehouses, storerooms, and marine reception stations [gares maritimes].
- 2) Improvement in the road and railroad networks as provided in the 5-year plan and more specifically these facilities in the port of Algiers.
- 3) Acceleration in the implementation of the different programs for the development of fishing ports.

## III. Regarding Infrastructure

- Speeding up measures to protect and maintain existing infrastructure (jetties, docks);
- The need for continuous dredging of the ports;
- Modernization of mooring facilities;
- Study and implementation of the programs to extend commercial ports (Delles, Annaba, Mestghanem, Beni-Saf);
- Pursuing and accelerating the implementation of the different programs for the development of fishing ports;
- Construction of new ports and shelters for fishing by the national maritime construction companies;
- Establishment of container terminals.

The cabinet, after examination of the operation of the education and training institutions, and on the basis of a report by the minister of planning and national development, has ordered a series of measures aimed at contributing to better coordination of the education and training system, in the framework of the application of the resolutions of the Central Committee of the party.

These measures have been decided on particularly as they concern;

- Student health;



--Considerable reductions in school losses through the opening of new training systems and by the qualitative and quantitative improvement of already existing systems;

--School and university orientation programs;

--Intensification in the use of existing educational and training institutions, at all levels and in all sectors, and more particularly those for technical and professional training;

--Meeting the need for teachers and improvement in the quality of teaching by the application of a substantial program of permanent training;

--Assigning qualified personnel in the productive sectors;

--Planning for the Arabization of scientific and technological instruction, taking into account at the same time our progressive, real needs and our capacity to carry out these programs.

These measures, which are in the framework of coordination of the system of education and training, will be put into concrete form by announcements having a legislative and regulatory character, in accordance with a schedule to be applied in 1981 and 1982. A permanent national committee has been charged with supervising and implementing these activities.

In accordance with the instructions of the president, the prime minister has presented a report on the measures of assistance taken on behalf of the victims of the earthquake which affected the Islamic Republic of Iran. In this regard the prime minister read a report on the operations already carried out and those under way. Further, the minister of health, accompanied by the president of the Algerian Red Crescent, surgeons, specialists in epidemics, and specialists in civil defense, was sent to Tehran bearing a check for \$1 million which will be turned over to the Iranian authorities.

The cabinet heard a communication from the minister of light industry on the most recent meeting of the Group of 77, which was held not long ago in Caracas.

The cabinet heard a communication from the minister of higher education and scientific research on the official visit which he has just made to Tunisia.

The cabinet heard a communication from the minister of housing and urban planning on the Algerian-Yugoslav agreement recently reached, bearing on the construction of 35,000 housing units.

Finally, the cabinet heard a communication from the minister of commerce on the official visit which he recently made to Portugal.

5170

CSO: 4519/21

## PLANS FOR ALGIERS METRO TO BE UPDATED

Paris AN-NAHAR ARAB REPORT & MEMO in English No 32, 10 Aug 81 p 3

[Text]

Successive plans to build a Métro (underground rapid public transport system) are to be re-assessed and brought up to date under the terms of a contract signed recently between the Algerian government and SOFRETU, a subsidiary of the Paris RATP public transport authority. A report from Paris did not disclose the amount of money involved, but the comparatively modest sums earned by SOFRETU are only the tip of the iceberg for French exporters. SOFRETU had a turnover in 1980 of about FF 150 million (about \$26 million at today's exchange rate) but its work led to exports by French manufacturers of more than FF 1 billion (about \$175 million) in a sector in which there is stiff international competition, notably from Japan.

There is no shortage of plans for an Algiers Métro, but they date back many years and the latest was undertaken by the RATP in 1955. Under the terms of the new contract, SOFRETU will study traffic flows in Algiers and advise the authorities there on routes and on the most suitable form of public transport to cope with demand. The RATP operates both the Métro and bus services in Paris and the French are also well-placed to advise on tramways because an up-to-date network of tramways is to go into service in the French city of Nantes in 1983. SOFRETU is also able to advise on fares for the proposed public transport system.

SOFRETU was the company chosen to draw up plans for a Métro in Cairo, where work costing more than FF 1 billion is due to begin shortly, to be completed by 1985. It is also involved in construction of a 63-kilometre Métro system in Tehran. Work on this underground rail network was begun shortly before the fall of the late Shah but it has since been suspended by Iran's Islamic revolutionary authorities.

SOFRETU has carried out studies similar to those being undertaken for Algiers in Casablanca, where trams are being used, and in Tunis.

RESTRUCTURING OF THE AGRICULTURAL SECTOR OUTLINED

Algiers REVOLUTION AFRICAINE in French 19-25 Jun 81 No. 904

/Article: "To Increase Profitability"/

/Text/ The evolution of our food needs, determined on the basis of a balanced, average food ration, and of the foreseeable population increase shows in the short and medium term that food dependence will continue to have a very heavy, specific impact on our national development. It is therefore vital, as the constitution states, to make every effort possible to achieve maximum self-sufficiency for our needs by our national productive apparatus. The restructuring of the enterprises of the agricultural sector falls into this category.

On the initiative of the minister of planning and national development, who is also president of the National Committee for the Restructuring of Enterprises, on 10 May 1981 the cabinet considered the project for the restructuring of enterprises depending on the MARA /Ministry of Agriculture and Agrarian Reform/. The cabinet adopted a program which, based on the need for a rationalization of activity and an increase in the profitability of new enterprises, will move in certain basic directions, such as specialization of new structures, decentralization, and the participation of producers in management.

In the framework of this reorganization, measures to accompany it have been prepared which tend in particular to improve the functioning of the various offices involved.

The establishment of these offices was based on an agricultural development policy aimed at providing the farm workers with a variety of specialized services. However, under the term "offices" are included organizations which are very different regarding their activities and their importance in the national economy.

The principal difference is based in theory between the offices taking action at the level of one enterprise or of several, similar enterprises, whose principal activity is the sale of the product or products concerned, either in the form of raw material or after providing them with a more or less hasty kind of processing, and the offices providing services to the whole of the agricultural sector (animal husbandry included), furnishing raw materials and factors of production.



In the first category of offices may be included in particular the ONALAIT [National Milk Office], the ONAPO [Algerian National Olive Products Office], the ONCV [National Office for Marketing Wine and Wine Products], and OAIC [Interoccupational Algerian Grains Office], and the OFLA [Fruit and Vegetable Office]. In the second category are the ONAB [National Poultry and Meat Office], the supervisory office of the SAP [Agricultural Provident Societies], the ONAMA [National Agricultural Equipment Office], the CPRA [People's Construction Projects of the Agrarian Revolution], and the National Studies Bureau for Rural Development. However, in reality this distinction is not so precise. Certain offices even play a considerable role in production itself, such as the ONAB, which has its own centers for the production of chickens for meat and eggs for consumption.

Whatever the function of these offices, their role is fundamental in the framework of the steadily growing integration of the agricultural sector into the modern economic sector. It is therefore necessary for the objectives established for the various offices to be defined clearly and for their rapid growth to be accompanied more and more by very strict rules of management, both for the implementation of their investments as well as for their functioning.

The measures adopted concerning the various offices at the cabinet meeting of 10 May 1981 more specifically concerned the second category of offices: those which function principally to provide services. These are the ONAB, the supervisory office of the SAP, and the ONAMA. At the cabinet meeting of 24 May 1981 a program was adopted for the restructuring of two other offices: the ONALAIT and the ONAPO.

#### ONAB: Specialization and Decentralization

The restructuring of the ONAB will involve greater specialization and decentralization of its activities. It is essential to move toward a kind of industrial specialization which involves dimensions likely to ensure a maximum of efficiency in organization and in management.

In its basic statute the ONAB has the role of promoting the development of production of animal products; producing and selling food products derived from livestock; organizing and increasing poultry production; and rationalizing the production and distribution of red meat.

The ONAB will continue with its first mission concerned with animal nutrition, but new structures have been established for the opening of:

--three regional offices for poultry production

--three regional offices for the production of red meat

The coordination of all of these offices will be provided by a coordination and promotion committee at the level of the Ministry of Agriculture and Agrarian Reform.

The regional poultry offices have the function of producing and selling the items for further production: chicks, hatching eggs, etc; furnishing the producers with equipment, material, and products specifically needed for their activity; and helping in the establishment of specialized cooperatives.

The regional red meat offices, for their part, must: promote and develop production, processing, and distribution of red meat; fix the prices and sell the various meat by-products; and assist the producers on the technical level.

The official figures set out the framework of the productive activities of the ONAB for 1979 and 1980, as follows, in terms of its 2 principal activities: poultry production and livestock foods.

(Figures in Tons and Units)	1979		1980	
	<u>Productive Capacity</u>	<u>Production</u>	<u>Productive Capacity</u>	<u>Production</u>
Eggs for consumption	80 million	60 million	100 million	52 million
Eggs for hatching	15 million	13 million	16.5 million	15.1 million
Chickens for meat	3.9 million	2.09 million	3.9 million	2.24 million
By-products	90 tons per hour	297,900	120 tons per hour	268,896
C.M.C.			6 tons per hour	11,147
Capons /poulets demarres/	260,000	234,360	260,000	267,600
Chicks	26.9 million	18 million	99.9 million	17.9 million

According to this table, one can easily note that 1980 was principally characterized by:

- stagnation and even regression in production in the poultry and animal feed sectors;
- a still relatively low rate of use of capacity, compared with the existing production potential.

In 1969-70 the original facilities provided to the ONAB (established by law in 1969) were limited to six animal feed production units with an annual capacity of 45,000 tons and to two poultry centers. There was a rapid expansion from this starting point in the course of the 2 four-year plans for all three sectors of activity of the office. At present its facilities include: 15 animal feed production units already functioning, 2 units under construction, 28 poultry production units with other units under construction, and 19 animal fattening centers.

Nevertheless, if we compare the figures to the overall program of activity and to the level of imports, it is necessary to note that the indicated increase of 15 percent in the level of activity in 1980, together with the constant sales prices as compared to 1979, is certainly due to the sale of imported products, principally as far as meat and poultry products are concerned.

#### Satisfying Domestic Requirements

It must still be noted that estimates concerning imports seem to have considerable variations. Thus, in an article about the ONAB dated 12 May EL MOUDJAHID reported imports in the order of 500 million eggs for the first 4 months of 1981 (out of an overall annual target of about 1.5 million eggs) and of 800 million eggs in 1980.

ONAB: Comparison Between Its Level of Activity and Level of Imports

		1979		1980		1981 (Estimated)	
	Unit	Production	Imports	Production	Imports	Production	Imports
<u>Poultry</u>							
--Eggs for Consumption	1,000	53,017	527,700	51,971	64,900	98,000	1,382,000
--Eggs for Hatching		13,050	73,900	15,119	66,207	35,900	160,000
--Day-old Chicks/Meat		18,155	1,399	17,896	2,024	63,730	4,000
--2-Year Old Hens		234	110	268	404	1,030	424
--Chickens for Meat		2,094		2,204		3,384	
<u>Lamb and Mutton</u>							
	Ton	770	1,941 (frozen)	800	2,730 (frozen) 1,000 (fresh)	2,100	5,700 (frozen) 2,250 (fresh)
<u>Beef</u>							
	Ton	1,400	3,500 (fresh) 1,600 (frozen)	1,000	5,350 (fresh) 2,675 (frozen)	2,670	13,420 (fresh) 6,900 (frozen)
<u>Animal Feed</u>							
	Ton	308,245	89,362	268,896	82,356	804,000	175,400

In the coming decade the activity of the ONAB must be concentrated, as a matter of priority, on poultry production and the production of animal feed which, moreover, is closely linked to poultry production. The objective in mind is to satisfy nearly all national requirements for day-old chicks/meat and both egg-laying and sterile chickens by the end of the 5-year plan in 1984.

That presupposes a considerable increase in productive capacity:

--For egg-laying hens: more than 5 million female, day-old chicks by 1990; the requirements for 1984 will be met by present, installed capacity or capacity presently under development;

--For sterile hens: more than 5 million by 1990 and 1.6 million by 1984;

--For production of chicken meat: more than 106 million chickens by 1990 and 36 million chickens by 1984.

In principle the ONAB has no plans to take part in the production stage of chickens and eggs directly sold to the public. However, the development of consumption, particularly in urban areas, requires some regulation by the ONAB. That is why it has been decided that in 1984 the ONAB will produce about 20 percent of the national production of chickens and eggs, as compared to 15 percent in 1990.

This objective will require increasing the productive capacity of the ONAB itself, which in 1981 totals 14,000 tons of chicken meat and 20 million eggs for consumption. From now to 1984 the ONAB will also have to develop the capacity to produce 400 million eggs, which will then be turned over to cooperatives in the provinces.

Elsewhere, in terms of slaughtering facilities, the objective set for the ONAB, as a matter of priority, is to slaughter its own production. However, by 1984 the available capacity should be slightly greater than the strict needs of the Office (10,000 chickens per hour).

In all, the new equipment program for the ONAB for poultry production has been estimated as costing about 1.567 billion Algerian dinars.

Regarding animal feed, the objective is also to meet almost all requirements for concentrated feeds, which are estimated at about 1 million tons in 1984 and 2.2 million tons in 1990.

The development of red meat production (ONAB production only represents about 10 percent of national production) should take place in the framework of a project costing some 421 million Algerian dinars [DA], of which 161 million will be provided under a loan from the World Bank. The component elements of this project are the establishment of three integrated slaughtering complexes in Annaba, Algiers, and Oran; the establishment of 12 centers for the purchase of sheep; the purchase of 30 trucks; the cultivation of 60,000 hectares of grazing plants [medicago]; the construction of sheepfolds in 120 self-managing farms; technical assistance and the training of personnel to go with it.



The draft 5-year plan prepared by the Ministry of Agriculture and Agrarian Reform pointed out that it was useful to recall that the ONAB, which because of its activities, is a very large organism, should study every possibility of improving its management. It is to meet this requirement that the recently envisaged new structures have been adopted: establishment of three regional offices for poultry production activity and three regional offices for production of red meat, as well as the institution of a coordination and promotion committee at the level of the Ministry of Agriculture and Agrarian Reform to ensure the coordination of all of these offices. Since the beginning of 1980 there has already been a headquarters organization encompassing the three sectors of specialized activity: one for production of red meat, a second for animal feed, and the third for poultry production.

However, the Ministry of Agriculture and Agrarian Reform itself has stated that since the new organizational structure has not yet been put in place, a certain kind of skepticism has been evident among some headquarters officials, involving a certain relaxation of effort which has been transformed with time into opposition to the restructuring process. It remains to be hoped that the measures recently adopted by the cabinet will take effect as quickly as possible so that "the confusing context of disorder and improvisation in which the varied activities of the Office have taken place up to the present" may disappear.

#### ONAPSA: Provisioning and Distribution

The legal existence of the supervisory office of the SAP [Agricultural Provident Societies] was recognized by a decision of the minister in October 1978. Its role then was to coordinate the activity of the local SAP's in the following areas: supplying the producers (fertilizer, herbicides, seeds, and plants in particular); supervising the CAPCS organizations [Communal Multi-Service Agricultural Cooperatives] at the level of each region by the Ministry of Agriculture by means of the SAP groups; the work of clearing and preparing the land for planting (removal of roots and stones); the organization and development of rural artisan functions and construction of rural housing. The restructuring measures adopted by the cabinet on 10 May 1981 notably confirm the existence of a "National Office for Provident Societies and for Agricultural Service" (ONAPSA) and henceforth make a distinction between its principal activities and other activities. Its principal activities are providing and distributing elements essential in production (fertilizers and other chemical products, seeds and plants, animals needed for reproduction, and other products intended for agricultural production). Stocking and air conditioning, providing the areas of the Sahara with food, and production of packing materials constitute its other activities.

The development of agricultural production planned for 1984 will become apparent in a strong increase in the demand for products distributed through the SAP. The SAP organizations presently existing (98 in all, of which 7 are located in port areas) do not provide for adequate coverage of the country. Therefore the Ministry of Agriculture and Agrarian Reform has provided for the development of 20 new SAP organizations in the course of the 5-year plan. Their location should be determined later, as a function of the programs of regional agricultural development.

The program for equipment of the supervisory office for the SAP as set out in the 5-year plan has been valued at about 1.223 billion DA (including activity concerning rural artisan activity: these total 31.5 million DA which are no longer included among the activities of ONAPSA), of which 136 million DA are allocated for the completion of activities already authorized.

<u>Programs</u>	<u>In Millions of Algerian Dinars</u>
Remaining to be Completed	136
<u>New Programs</u>	
Development of New SAP Organizations	16
Stocking of Non-Perishable Products	45
Stocking of Perishable Products	720
Transportation Facilities	175
Materials Required	100
	<u>1,056</u>

For 1984 requirements for non-perishable products are estimated at 1 million tons for fertilizers and 60,000 tons for herbicides. Installed capacity and that under construction are clearly insufficient in this regard.

It was furthermore decided to increase capacity for stockpiling these products up to 400,000 tons between now and 1984, which implies the construction of about 180 warehouses of 1,000 tons capacity each (thus involving an effective doubling of present capacity).

The consumption of fertilizers went from 332,000 tons in 1978 to 425,000 tons in 1980 (an increase of 25 percent), and the Ministry of Agriculture and Agrarian Reform has calculated that the amount of fertilizer used in 1980 per hectare is 95 kg for the self-managing sector, 43 kg for the Agrarian Revolution sector, and 28 kg for the private sector.

With 30 percent of the useful agricultural surface (SAU) the self-managing sector is presently consuming nearly 56 percent of the total quantity of fertilizer delivered to the agricultural economy. The private sector is only consuming 22 percent of the fertilizer total; however, it is using this amount on 60 percent of the useful agricultural surface.

In addition to the marginal character of the use of fertilizer over the largest proportion of our agricultural land, we should also underline the problem of delay in making deliveries in timely fashion for the needs of the countryside.

The most important activity provided for in the 5-year plan concerns the creation of an infrastructure for stocking seed potatoes. The lack of a stocking infrastructure adapted to proper provisions for keeping the potatoes is a powerful brake on the development of domestic production and makes recourse to costly imports necessary.

At the end of 1978 the SAP organizations had a stock of 710 trucks, most of them very old and largely worn out, either in the normal activities of the SAP organizations or in seasonal activity, particularly in the plains areas (delivery of animal feed, for example). The SAP organizations are presently using other sources of transportation for about one-quarter of their total activity. The program set out in the 5-year plan envisages the purchase of 194 trucks, of which 120 will go for replacement purposes, bringing the total stock of trucks to about 800.

Land clearance activity has been carried on with equipment consisting of 163 bulldozers and accessories (rooters, trailers, tractors). This stock of equipment is also very old and needs to be added to and brought up to date. (100 million DA are provided for this purpose in the 5-year equipment program.)

For its part the National Agricultural Equipment Office (ONAMA) has the objective of supporting the development of agricultural mechanization by ensuring the distribution of agricultural equipment both imported and locally produced; the availability of replacement parts; and major repairs (lesser repairs are seen to by the CAPCS organizations). The ONAMA also distributes small-scale irrigation equipment and related replacement parts. Finally, since 1976 the Office has produced prime movers, disk harrows, and vats. Three of its units are presently functioning: at Hammon Bou-Hadjjar, Mostefa Ben Brahim (Sidi-Bel-Abbes), and Guelma. Another unit is on the way to beginning production at Bou Saada.

The sale of agricultural equipment remains the principal activity (60 percent of the total) of the Office. It is accomplished through 29 shops (only the provinces of Adrar and Tamanrasset have not been provided with a shop) and an equal number of replacement parts stores. This basic infrastructure is supported by four regional directorates (in Algiers, Oran, Constantine, and Bou Saada) and by a central warehouse at the headquarters of the Office.

The ONAMA also has 78 vehicle shops which operate at the individual farm level, particularly during campaigns of national interest. They serve essentially to make up for the shortage of CAPCS organizations. Out of 690 CAPCS organizations only 387 have minor repair shops whose facilities are in general unsuitable, the equipment inadequate, and the personnel assigned not qualified. The extent of the problem of repairs and spare parts evidently depends on the condition of the stock of agricultural vehicles (transport and other equipment which is old and badly utilized). Hence there is a high ratio of equipment which is broken down, there is a substantial need for repairs, and there is excessive consumption of spare parts.

Level of Imports - Value in Thousands of Algerian Dinars

<u>Products</u>	<u>1979</u>	<u>1980</u>	<u>1981 (Estimated)</u>
--Spare Parts	77,538	138,221	-----
--Towing Accessories	7,913	21,065	-----
--Hydraulic Accessories	5,774	178,486	-----
--Processing Equipment	-----	18,056	-----
Total	91,225	355,828	375,000

These problems have been accentuated, both at the level of ONAMA as well as the CAPCS organizations by the lack of qualified workers (mechanics, electricians, welders), due to difficulties of recruitment and above all to the lack of stability of personnel already trained, who are attracted by more lucrative activities outside this sector.

In the course of the 5-year plan the extent of the activity of the Office will naturally be a function of the need for agricultural equipment which, at the national level has been calculated on the basis of the 1984 agricultural plan.

Regarding small-scale irrigation works, the objectives approved for 1984 cover 15,000 hectares and concern above all the renovation of already existing irrigated areas.

Equipment	Vehicle Stock, End of 1979	Purchases, 1980-84	Vehicle Stock, End of 1984	Increase, 1980-84
Tractors	37,900	36,400	51,830	36.6%
Mini-Tractors	550	3,720	3,630	560.0%
Combines	4,330	4,660	6,140	41.8%
Reapers	13,066	15,184	23,250	77.9%
Rakes	9,250	5,995	11,620	25.6%
Harvest Prosses	6,000	9,670	12,670	111.2%
Miscellaneous Agricultural Equipment	20,623	87,187	137,810	70.9%
Prime Movers	14,640	13,010	22,150	51.3%
Seed-Drills	7,100	17,880	22,230	213.1%
Fertilizer Spreaders	6,270	15,650	15,650	149.6%
Processing Equipment	12,270	11,320	13,590	10.8%



The draft 5-year plan provides simultaneously for a strengthening of existing structures and their redeployment throughout the whole country. This naturally implies that their operational activities in support of agriculture should be decentralized to the provincial level. Therefore, there should no longer be a central warehouse of spare parts, nor areas for stocks, nor repair shops at the headquarters of the Office.

The changes that have taken place in the organization of the ONAMA and adopted by the cabinet on 10 May 1981 concern simultaneously the general functioning of the structure and the manner in which it functions. A distinction has been made among the various kinds of activity: distribution of agricultural equipment, management of spare parts, service after sales and repair of equipment and other activities; and technical testing of machinery with a view to standardization.

#### ONALAIT: Massive Imports

Two weeks after having adopted the scheme for restructuring three offices (ONAB, ONAPSA, ONAMA), on 24 May 1981 the cabinet also approved restructuring of two other offices (ONALAIT and ONAPO) which, contrary to those in the first group, can be directly attached to that first group, namely offices which operate at the level of a single farm or of several, similar farms, whose principal activity is the sale of the product or products concerned, either in an unprocessed state or after they have undergone a more or less hasty kind of processing.

The fundamental element in the application of national policy with respect to milk, ONALAIT operates at the level of collecting, treating, processing, and sales. Now, despite rapid development of its activity, presently the Office is far from performing the role which it should have.

At the end of 1980 the ONALAIT had produced 422 million liters of milk, about 74 percent of its real capacity (the 8 units belonging to ONALAIT then represented an effective daily production capacity of 1,635,000 liters). About 11 percent of the product consisted of locally produced milk and 89 percent consisted of recombined milk. The rate of use of local milk in ONALAIT production has recorded, moreover, a more and more evident decline (18 percent in 1977, 14 percent in 1978).

The Office reportedly does not even collect 50 percent of the quantity of milk produced by the socialist sector, estimated at some 90 million liters. The Ministry of Agriculture and Agrarian Reform explains this inadequacy in the collection by reasons which pertain to production (irregular production, absence of planning in the dairies, a lack of refrigeration equipment) and by reasons which pertain to ONALAIT: collection is certain only from treatment units from which the collection circuits are too long and the coverage of the production zones is incomplete; inadequate number of vehicles, many in bad condition, resulting in delays in collection schedules, irregular hours, and frequent cancellations. This is a situation which also results in deterioration in the quality of the milk (a large percentage of sour milk) and weighs heavily on the cost price.

Whatever the case, the present tendency threatens to end over the long term in production entirely dependent on foreign countries, unless a vigorous policy is adopted of stimulation of production and of improved collection.

<u>Milk Production</u>		TUC: Rate of Use of Installed Capacity TAP: Rate of Increase of Production					
Product	Unit	1979 Production	TUC 1979	1980 Production	TUC 1980	TAP 1980/1979	1981 Forecast
Processed Milk	Thousand Liters	371,684	73%	422,116	74%	14%	663,900
Of Which Local Production	"	48,400		43,500		-11%	81,000
Milk Products							
Yogurt	Thousand Pots	44,928	44%	68,552	67%	52%	117,500
Cheese	Tons	2,732	43%	5,072	81%	86%	8,206

Imports of powdered milk and of MGLA (fatty matter from anhydrous milk) increased in value by 68 percent in 1980, compared to 1979, although the quantities involved were almost the same: 43,000 tons for milk powder and 12,000 tons for MGLA.

We are therefore observing a very substantial increase in the price of these products on the international market, which threatens to increase even further our dependence on foreign countries. It therefore becomes more and more necessary to use the Algerian milk production potential rationally.

Elsewhere, as a result of a quantitatively inadequate system of distribution and particularly in the transport area, ONALAIT is not distributing its products to the retail level very well (poor coverage of the territory, substantial losses).

According to the program adopted on 24 May 1981 by the cabinet, the Office has been restructured into three regional offices provided with real autonomy of operation. They should become efficient through the reorganization of two distinct functions: collection and distribution.

Other measures have been approved, among which we should note the following: the prompt establishment of new offices within the country and the balanced division among the new offices of the officials and personnel presently working at the level of central headquarters.

The principal objective of the restructuring that has been approved evidently is to permit application of the policy adopted in terms of the development of milk production in the framework of the 5-year plan, which provides for a considerable increase in national production (estimated at some 930 million liters in 1984) and a slower development of imports. As a function of the approved consumption objectives, imports should total about 710 million liters of fresh milk equivalent in 1984.

This table makes it possible to note that:

--For milk, 1980 production showed a noticeable increase by comparison with production in 1979;

--For milk products an important increase in production was also noted, which probably means a greater skill in using installed capacities and a diversification of the products which ONALAIT sells on the domestic market. However, these products are far from satisfying the consumption needs of the people.

The equipment program for ONALAIT (1980-84), costing 2.121 billion DA (of which 1.44 billion DA are for the new program), places the principal accent on investments concerning the collection and distribution system, which represents 45.1 percent of the new program. The new program provides in particular for:

--the establishment of milk collection centers (400 million DA);

--additional credits to reach the capacity initially approved for the various production units (100 million DA);

--extension of existing production units (208 million DA);

- improvement of the distribution network (250 million DA);
- replacement and expansion of transport facilities (100 million DA);
- establishment of three units for stocking and maintenance (150 million DA);
- establishment of a packing unit (70 million DA);
- establishment of a central laboratory and equipment of a training center (20 million DA);
- social infrastructure (construction of about 300 housing units and employees' canteens (100 million DA).

The annual collection of more than 200 million liters of locally-produced milk presupposes the existence of a collection network throughout the production zones, with a daily capacity of about 1 million liters per day. About 50 collection centers, including the transport equipment necessary and refrigeration equipment should be built between now and 1984.

In addition, the improvement in the quality of milk and of milk products requires the establishment of a central laboratory for control of milk quality and technology, which will be built near a training center. The availability of qualified personnel is a prior condition for success in the development of the activity of ONALAIT.

ONALAIT only provides about one-quarter of the national consumption needs for milk and milk products and about one-third of the production sold commercially. By 1984, and if the production goals are achieved, a substantial portion of national production available for sale (about 240 million liters according to the provisions of the five-year plan) would be sold outside the framework of ONALAIT, in a distribution system in which fresh milk constitutes almost all of the sales. The draft 5-year plan in this regard provides for a type of organization of this distribution system which, in the present state of the pricing system, may have problems in surviving.

This system is presently characterized by a difference between the price of milk at the point of production, estimated at 1.50 DM [sic; probably should read DA, Algerian dinars] per liter, and the sales price of pasteurized milk (1.20 DA per liter). The sales price of pasteurized milk, in the case of ONALAIT, is partially compensated for by the cost price of reconstituted milk.

#### ONAPO: Over-Equipped and Weakness in Production

After having examined the present situation regarding olive production and the difficulties met in this sector, the cabinet also adopted on 24 May 1981 a restructuring scheme for ONAPO [Algerian National Olive Products Office], which is based on the following principles:

- development of activity to support production;
- modernization of processing units;
- organization of the collection and sale of olive oil.



Certain complementary measures were also adopted, including: taking in charge support and maintenance of the olive orchards before their entry into production. The cabinet also decided on the need to develop an overall policy concerning fats and oils.

ONAPO has the mission under law of directing the production of olives, of preserving and selling preserved olives, of pressing the olives for oil and of selling the oil resulting therefrom.

Its activity is dependent on the production of olives which, during the past few years, has shown a very clear declining tendency (aging of the trees, poor maintenance, lack of manpower, with the latter factor presently the most fundamental). However, the weakness in olive production is not the principal cause for the decline in ONAPO activities, which is not even succeeding in accepting a large proportion of the production of the socialist sector, its principal supplier. The following table, comparing olive production for each harvest of the past few years and the proportion of the production handled by ONAPO, is considered very significant in this regard.

	<u>1975/76</u>	<u>1976/77</u>	<u>1977/78</u>	<u>1978/79</u>	<u>1979/80</u>
Olive	2,200,000	1,160,000	890,000	1,500,000	900,000
Production					(est)
(Quintals)					
Production	397,170	271,354	64,928	254,288	99,000
Handled by					
ONAPO					
Percentage	18%	23%	7%	17%	11%

ONAPO production (table olives and olive oil) is carried on by a network of oil pressing and canning centers. The Office presently has a network of nearly 40 production units, with a total capacity of about 730,000 quintals of olives, including 147,000 quintals of table olives and 670,000 quintals of olives for oil. Its production capacity is more than 9 million liters on the basis of an average return from the pressing of oil of 15 percent.

For the 1979/80 harvest ONAPO handled 99,000 quintals of olives [sic; in the chart above, as printed, production handled by ONAPO is given as 9800 quintals] which represents a very low rate of utilization of installed capacity: about 14 percent. Olives handled by ONAPO, in turn, only represent 11 percent of the harvest.

Table olives handled in 1980 (18,000 quintals)--down by nearly 50 percent, compared to 1979--were clearly insufficient to keep the units working. Some 37,000 quintals coming from oil olives were therefore added to the total, which resulted in a use rate of nearly 35 percent of installed capacity for table olives!

Regarding the oil pressing capacity, only 11 percent of it was used. ONAPO sales on the domestic market last year were about 40,000 quintals at an average price of about 6.88 DA per kg and 1,364,000 liters of oil at an average price of 10.98 DA per liter. These quantities, which represented an increase compared to 1979, were nevertheless unexpected in terms of production, which led to the accumulation of substantial stocks that had been estimated at the end of 1979 to consist of 46,800 quintals.

Exports rose to 17,650 quintals for preserved olives, but the average export price was only 3.84 DA per kg in 1980, compared to 4.28 DA per kg in 1979.

In the framework of the 5-year plan it is planned to stimulate production of olives by replacing existing orchards and by planting new orchards. These programs should lead to a production of raw olives of 1,820,000 quintals by 1984. The objectives approved aim at having ONAPO process 690,000 quintals, of which 80,000 quintals will consist of table olives and 610,000 quintals will be olives for pressing; that is, 40 percent of total production and 66 percent of the production to be sold. This quantity will make it possible to utilize installed capacity at a rate of 54 percent for table olives and 91 percent for olive oil.

The investment program approved for ONAPO for the period 1980/84 amounts to 98 million DA, of which 7 million DA will come from funds left over at the end of 1979. The two most important categories in the investment program concern the acquisition of mechanical harvesters (31 million DA) and machinery for the further treatment of olive oil cake (26 million DA).

Faced with the difficulty of finding manpower to harvest the olives, a minimum program has been approved in the framework of the 5-year plan for the purchase of about 100 harvesters. The program also envisages the establishment of two repair centers, as well as the training of drivers and of repairmen and the provision of technical assistance (provided by the manufacture of the equipment).

As we have already pointed out, the restructuring programs adopted for the offices concerned (ONAB, ONAPSA, ONAMA, ONALAIT, ONAPO) aim principally at a rationalization of their activities in order to ensure an increase in their profitability. The measures adopted, particularly concerning specialization, decentralization, participation of the workers in management, certainly fit into this perspective. However, considerable problems remain, such as those affecting price.

To acquire the raw material indispensable for the operation of the already existing production units, the offices concerned find themselves pressed up against the constraint of prices which are fixed for them in the framework of the various harvests. They are thus in a position of weakness as against private buyers who can offer higher prices for speculative ends. And when they produce the products themselves, which they process or sell, the offices are also faced with a considerable dilemma. The cost price of their production or of domestic products such as fertilizer, milk, and eggs (whose production is insufficient to meet domestic needs) is always much higher than that of similar, imported products.

To ensure their financial stability, a process of equalization is considered essential. With a legitimate concern for profitability, since the results of their activity is judged on the basis of this criterion, how then can the offices concerned give priority to the primordial objective of the development of domestic production?

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CSO: 4519/21

## ALGERIA

### BRIEFS

OIL EXPLORATION IN TANZANIA--Algeria's state-owned hydrocarbons group, Sonatrach, is to start drilling for oil in Tanzania later this month under an exploration scheme estimated to cost \$7 million. The scheme provides for three months of exploration, including drilling a 4,000 metre-deep well on the Tanzanian coast. Sonatrach's contract is part of an agreement signed recently between the Algerian company and the state-owned Tanzania Petroleum Development Corporation. Under the agreement, Sonatrach will also carry out a seismic survey. Both projects are being financed by a \$10 million loan granted by Algeria to Tanzania last month. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 32, 10 Aug 81 p 4]

CSO: 4300/35

**DEFENSE MINISTRY BANS AREAS TO FOREIGNERS**

PM071046 Cairo AL-AHRAM in Arabic 3 Aug 81 p 8

[Report by Ahmad Husayn: "Defense Ministry Preparing Draft Decision Banning Presence of Foreigners in Some Egyptian Border Areas"]

[Text] The Ministry of Defense has prepared a draft decision banning the presence of foreigners in certain towns and military zones without a permit from the ministry and without being accompanied by a representative of border guard intelligence. These areas include the Canal provinces, with the exception of the towns of Port Said, Ismailia and Suez, which are to be entered from specific areas, and the provinces of Sinai, with the exception of the towns of Al-'Arish and Al-Qantarah and the tourist areas of the Gulf of Suez and St Catherine Monastery. The decision also bans diversions from the main roads between Alexandria and Matruh, Cairo and Rashid.

The draft also bans the presence of foreigners without a permit and without being accompanied by a representative of the border guard intelligence in the desert areas south of the line between Barnis and Abu Sinbil and the desert areas south and west of the line between Abu Sinbil, Wahat Baris Al-Dakhila, Al-Farafirah, Al-Bahriyah, Siwah and the Ra's al-Barr-Rashid road.

With regard to the Canal provinces the approach to Port Said is to be via Dumiyat or Ismailia which is to be reached via the Cairo agricultural and desert road, and the approach to Suez is to be via the desert road providing that the Al-Mu'ahadah road is used for movement between the three towns without deviating from this road.

With regard to the Sinai provinces the presence of foreigners here is banned with the exception of the towns of Al-Qantarah, Al-'Arish and Rafah, which are to be approached via the town of Al-Qantarah Gharb and the coastal road to Al-'Arish and Rafah. The tourist areas on the Gulf of Suez and the Gulf of Aqaba are to be reached via the Sadr coast road, Ra's Muhammad, Sharm Al-Shaykh, Dahab, Nuwaybi' and Taba. The St Catherine Monastery tourist area is to be reached via the Sadr-Wadi Firan road, the Catherine-Wadi al-Dahab road or the At-Tur-Catherine road.

With regard to Matruh Province, the presence of foreigners here is allowed with the exception of Egypt's western political borders and an imaginary line from the point north of Al-Qasabah on the northern coast east of Marsa Matruh and southward past the towns of Al-Qasabah and Siwah and along the western edge of the Al-Qattarah



depression to Qarrat Abu Shahin, south of the northern coast in the east and the Mediterranean coastal area in the north. [sentence as published] Also an imaginary line from Qarrat Abu Shahin southwest of the Al-Qattarah depression westward along the Al-Ahdathiyat line up to the western political borders with Libya in the south.

The draft allows the presence of foreigners in all the areas of the republic and their movement on all roads with the exception of the roads and areas specified above. The presence of foreigners is allowed in the desert spots : between the Red Sea and the Nile valley and the Abu Sinbil-Aswan road in the company of a representative of border guard intelligence. Foreigners are also allowed to spend the night on the Mediterranean and Red Sea coasts in places to be defined by the Ministry of Tourism in coordination with the Ministry of Defense.

Owners and skippers of tourist yachts and boats engaged in tourism and other vessels are allowed to enter and leave ports considered legal ports of entry to the country. They can also dock their vessels in ports, harbors and islands on the Red Sea, the Mediterranean, the Gulf of Aqaba and the Gulf of Suez that have been approved by the Ministry of Tourism after consultation with the Ministry of Defense. When dropping anchor at sea, owners of these vessels should keep 1 km away from the coast by day and 2 km by night.

Those who violate these regulations will be punished by a maximum sentence of 3 months and a maximum fine of 100 pounds or one of the two penalties. Anybody helping a foreigner in violating this regulation will receive the same punishment.

CSO: 4504/57

## MINISTRY STUDYING WORKERS' TRANSPORT TO LIBYA

NC061713 Cairo MENA in Arabic 1425 GMT 6 Aug 81

[Excerpt] Cairo, 6 Aug (MENA)--The Foreign Ministry and the authorities concerned are busy preparing a study containing several proposals for regulating the travel of the Egyptian workers to Libya via Malta and resolving the problems and the obstacles facing the workers and putting an end to the attempts that are being made to exploit them, according to Foreign Ministry Consular Department Director Ambassador Kamal 'Abd al-Rahman in an exclusive statement to MENA.

Ambassador 'Abd al-Rahman added that the problem arose because the Egyptian workers destined for Libya are concentrated in Malta awaiting visas to enter Libya.

He said that the Egyptian authorities have taken urgent measures to resolve the problem of the workers' concentration by suspending additional flights [to Malta] and making the resumption of these flights conditional upon the flow of the workers from Malta to Libya.

Ambassador Kamal 'Abd al-Sama [as published] pointed out that the Egyptian Foreign Ministry had sent a committee to Malta under the chairmanship of Consular Department Deputy Director Ambassador 'Abd al-Mu'im 'Atiq to study the problem. In the light of the committee's report, several measures have been taken to resolve the problem, including a request to the interior and tourism ministries to contact the travel and tourist companies which have been transporting the workers to prevent any exploitation [of the workers]. Another measure is to follow up the efforts of the Egyptian Embassy in Malta to provide suitable accommodation for the workers during their waiting period, which could be as long as 1 month because of the delay in granting them entry visas to Libya, and to agree on reasonable charges for the accommodation of the Egyptian workers in special places allocated for them.

Ambassador Kamal 'Abd al-Rahman said that the (Halfar) area, which is close to the airport and which is a former British forces camp in Malta, has been prepared [for the Egyptian workers]. It can accommodate 750 persons.

He pointed out that during the Foreign Ministry Committee's presence in Malta on 14 July, the number of Egyptian workers there reached 1,300.

CSO: 4504/57

DECREE NAMES HIGHER PRESS COUNCIL MEMBERS

NC042226 Cairo MENA in Arabic 1310 GMT 4 Aug 81

[Text] Cairo, 4 Aug (MENA)—A republican decree was issued today forming the Higher Press Council was follows:

The Higher Press Council will be formed under the chairmanship of consultative council chairman Dr Muhammad Subhi al-Hakim. The council will include as members:

The AL-AHRAM establishment board of directors chairman, 'Abdallah 'Abd al-Muttalib 'Abd al-Bari;

The AL-AKHBAR establishment board of directors chairman, Musa Sabri Kamil;

The DAR AL-TAHRIR establishment board of directors chairman, Abd al-Muhsin Muhammad 'Abd al-Muhsin 'Muhsin Muhammad";

The ROSE AL-YUSUF board of directors chairman, Abd al-'Aziz Khamis;

The DAR AL-HILAL establishment board of directors chairman, Makran Muhammad Ahmad;

The AL-TA'AWUN board of directors chairman, Mamduh Rida;

The OCTOBER magazine board of directors chairman, Anis Muhammad Mansur;

The AL-AHRAM chief editor—the AL-AHRAM establishment, Ibrahim 'Abd al-Fattah Nafi';

The AKHIR SA'AH chief editor—the AL-AKHBAR establishment, Muhammad Wajdi Qandil;

The AL-MASA' chief editor—the DAR AL-TAHIR establishment, Samir Rajab 'Ali Sharaf;

The SABAH AL-KHAYR chief editor—the ROSE AL-YUSUF establishment, Louis Jiryis;

The HAWWA' chief editor—the DAR AL-HILAL establishment, Su'ad Ahmad Hilmi;

The agricultural magazine chief editor—the DAR AT-TA'AWUN establishment, Muhammad Basyuni 'Amirah;

The MAY chief editor, Ibrahim 'Ali Sa'dah;

AL-AHRAR chief editor, Wahid Ghazi;

AL-SHA'B chief editor, Hamid Zaydan;

The jouranalists' DOYEN, Salah al-Din Muhammad Jalal;

The Information General establishment director, Muhammad al-Shafi'i 'Abd al-Hamid;

The MIDDLE EAST NEWS AGENCY board of directors chairman, Muhammad 'Abd al-Jawad Mansur;

The Radio and Television Union board of secretaries chairman, Muhammad Safwat al-Sharif;

The chairman of the Trade Union of Publication, Printing and Press Workers, Muhammad 'Ali al-Faqi;

The National Distribution Company board of directors chairman, Dr Husayn al-'Amri;

The Writers Union chairman, Tawfiq al-Hakim.

The council also includes the following public figures: 'Abd al-Mun'im Mahmud al-Sawi, Dr Jamal al-Din al-'Utayfi, Dr 'Abd al-Mun'im al-Nimr, Dr Muhammad Kamil Laylah, Dr Hasan Hamdi Ibrahim, Dr Hussayn Muhammad Nassar, Dr Khalil Sabat, Dr Yahya abu Bakr, Dr Husayn Mu'nis, Muhammad Tharwat Abaza, 'Abd al-Rahman al-Sharqawi, Ihsan 'Abd al-Qaddus, Salah 'Abd al-Sabur, Amin Muhammad 'Adli, 'Abd al-Hamid Ahmad Ibrahim Hamrusy, Hafiz Mahmud, Mahmud Zaki 'Abd al-Qadir, Aminah Ahmad al-Sa'id, Sabri Abu al-Majd, 'Abd al-'Aziz 'Abdallah, Jalal Mustafa 'Isa, Ahmad Zayn al-'Abidin Mahmud "Ahmad Zayn," and Muhammad Salah al-Din Muntasir.

The council also includes two legal members: 'Ali Muhammad 'Ali Mansur and Dr Ahmad Salamah Muhammad Salamah.

This decree shall be published in the Official Gazette.

Issued at the Presidency on 24 Ramadan, 1401, corresponding to 25 July 1981.

CSO: 4504/57



EGYPT

BRIEFS

SABOTAGE ORGANIZATION TO HIGHER COURT--Cairo, 13 Aug (MENA)--The higher state security prosecution today referred another sabotage organization, the Misr al-'Urubah organization, to the High State Security Court. The organization includes three accused persons, two of whom are unemployed and currently fugitives while the third is a student who has been placed in custody after his arrest at Cairo airport. This student had been sent by the organization to detonate the explosives he had hidden in a recorder set in some public places with a view to terrorizing people and shaking confidence in the regime. The organization operates for the rejectionist states--namely, Syria, Algeria and Libya. These states have financed the organization and enabled its members to pursue its antagonistic activities. Moreover, they had entrusted the third accused person with transporting the explosives, after having trained him on how to detonate the explosives, and had given him \$100 to pay the customs fees for the recorder set in which the explosives had been hidden. [Text] [NC130704 Cairo MENA in Arabic 2258 GMT 13 Aug 81]

CSO: 4504/57

INTERNATIONAL WEEKLY INTERPRETS POLITICAL HIGHLIGHTS

Bahonar's Problems, Priorities

London IRAN PRESS SERVICE in English No 33, 14 Aug 81 pp 1-4

[Text] Iran's first clerical prime minister, Hojatoleslam Mohammad Javad Bahonar, formed his cabinet this week against a background of growing signs that the consolidating of the IRP's grip on all sections of the administration could yet have arrived too late.

As Bahonar appointed his ministers and outlined his plans, among which reestablishment of security was one of the priorities, more prominent regime figures were attacked by gunmen and bombing and shooting continued unabated in Tehran and up and down the country.

As other victims, this time of the revolutionary guards who make up the firing squads for the revolutionary courts, succumbed to the guns in scores, public unease at the steadily rising slaughter became more and more widespread. People were heard asking if there was no-one who could bring back the country to sanity.

More ominously the picture of the stresses which are responsible for the unrest became a little clearer as Tehran sources reported the first signs of a possible split among the fundamentalists.

Clergy associated with the Fedayeen-e-Islam (the Iranian Moslem Brotherhood) were said becoming increasingly angry over the predominantly lay IRP's increasing moves to eliminate the merchant community, which has traditionally supplied them with their financial needs. And as the IRP continued to promise a Marxist-type economy and the elimination of all middlemen, so there were signs that some of the fundamentalist clergy might be prepared to do battle with the IRP.

In addition the admissions of now exiled Mojahedin-e-Khalq leader Massoud Rajavi that his organization could not be responsible for all the bombings going on in Iran backed up the opinion of many other observers that other forces are involved in them. There were even suspicions that sections of the armed forces could be involved as part of a campaign to eliminate prominent figures before a possible military move to take over the country.

Leftist sources have begun to voice fears (echoed in Paris in clandestine interviews by former president Bani-Sadr this week) that the bulk of the army still retains

loyalties to the Shah and the old order. Bani-Sadr told the Paris daily Liberation that "the biggest danger to Iran is the re-Americanization of the country." He said one of the main reasons for his flight to Paris was to "prevent pro-U.S. tendencies among the opposition to Khomeini filling the vacuum created by the clerical despots."

Some observers saw this as a tacit admission by Bani-Sadr that the military in Iran had refused to follow him and that they shared the opinion of most Iranian politicians and observers that Bani-Sadr had proved a failure and had no future. Though Bani-Sadr himself continued to argue that he has great support among the armed forces and cited his method of escape as evidence, it did not escape notice, too, that he said he had not asked the military to make a coup because he objected to their playing a dominant role--another suggestion that he knew they didn't really want him.

The Arab Report and Memo, a Paris-based Lebanese owned publication, quoted an observer this week as saying that "the Shah's army--and there is still a lot of the Shah's army left--hates the Mojahedin as much as the IRP does," and suggested the Mojahedin were also aware that the army would move to take power swiftly from them if the Mojahedin did overthrow the government.

The stories of defections by rank and file soldiers during the last months of the Shah's reign were much exaggerated in the Western and Iranian press, according to most people in Iran at that time. Right up until the final surrender of the generals to Khomeini the vast majority of the forces maintained their loyalty to the Shah and the war with Iraq is said to have brought back much of the old esprit de corps. If the old commanders are gone the new ones are frequently men in their image, just as Beheshti, Bahonar and other of the new rulers of Iran are in the image of their mentors like Khomeini. It would be naive to imagine that two years of revolution have transformed the thinking and political outlook of a part of the officer corps, never mind the whole of it, most experts feel.

If any group of officers is planning to move, however, it is felt there is no great urgency from their point of view. This is not simply because of the need to carry on the war, but the plans of the new premier, even if they can be implemented, threaten to alienate still larger sections of the public than previous changes, while those involving the indoctrination of the armed forces, now admitted to be an urgent task, by the Bahonar government, will take a long time to formulate or being to take effect.

In the meantime more of the Mojahedin will be killed, along with more regime figures and revolutionary guards. Any coup will thus be a matter of good timing.

The rift between sections of the more radical mullahs, too, will play into the hands of opponents of the IRP. Past experience has shown that the secular as well as the clerical radicals have little capacity for temperate action and the likelihood is that any conflict will become bitter and divisive. This again can only strengthen the more moderate clergy. Indeed, many observers estimate that the regime cannot claim the complete loyalty of more than 10 percent of Iran's estimated clergy corps of 150,000.

There are also suspicions among the clergy that Bahonar and the IRP contemplate a shaking up and restructuring of the religious set-up in Iran sometime in the future. Many mullahs would be reduced to lay status and an entirely new radical and clerical nucleus would dominate the scene.

Before that Bahonar has made it clear he intends to introduce young revolutionary elements into the administration. Observers interpret this as portending the likelihood of his introducing a bill which would disband the present civil service and allow him to introduce his younger radical elements in its place.

"Bahonar contemplates something similar to the plan implemented by Khaddafi in Libya," one Iran watcher told IPS. "The difference is that Iran already has institutions, unlike Libya when Khaddafi took over, that stand in his way. There's the bureaucracy and there are many other areas of society where Bahonar must face obstacles which Khaddafi did not have to fear.

"It should also be remembered that Bahonar served for some time as liaison man between the Fedayeen-e-Eslam and the pro-Moscow Communist Tudeh party, and it is generally suspected that he developed considerable interest in Marxist and Leninist ideas during that time. Although his comparative sophistication makes him seem a moderate at times, people who know him better say he is a leftist of deep convictions who will prove to be just as ruthless as Beheshti."

Security, inflation and unemployment top the list of problems to be tackled by new premier Bahonar's government, according to an outline he gave after his appointment had been approved by the Majlis.

Restarting industry and providing proper facilities for production, purges of the bureaucracy, a cultural revolution with employment of young and revolutionary forces, strengthening and stabilizing the policy of the government, embracing neither East nor West, fighting against consumer or luxurious living, reducing wealth, producing an administrative and employment system that would annihilate the bureaucratic system, bringing civil service salaries into line with the cost of living, strengthening the cultural and ideological beliefs of the people, and strengthening the armed forces and producing a revolutionary and doctrinaire atmosphere among them were other items he listed.

Bahonar said he was choosing his ministers from among doctrinaire officials who were politically on the line of the Imam. They must be revolutionaries with administrative abilities, and, "where possible, we must find people who are experts in their fields."

His foreign policy would be built on relations with liberation movements. "Our overall policy will be to protect the oppressed masses of the world," Bahonar said, "and to annihilate the superpowers and cut off their domination of the Islamic world."

Bahonar promised he would put an end to the terrorism that is taking a daily toll of both prominent figures and opponents of the regime. He would also aim to eliminate the misunderstandings and discord planted by American agents, an apparent reference to former president Bani-Sadr.



Bahonar said the society, which had suffered so badly from internal divisions because of the "liberals," now needed harmony and homogeneity.

Observers do see the possibility of harmony at the top of the IRP now, with Rajai as president, Hahsemi Rafsanjani as Majlis Speaker and Bahonar, all these former comrades in arms over many years. This providing they all survive the wave of killings sparked off in recent weeks.

Aged 47 Bahonar was a pupil and disciple of Khomeini and a member of the clerical school of Khordad 15 (June 6), known by the date of Khomeini's first unsuccessful attack against the Shah's White Revolution and its reforms in 1963.

Later, along with the late Ayatollah Beheshti, the assassinated Hassan Ayat, Rajai and Jalaaladdin Farsi he was involved in setting up the Rifah religious school, which became the secret centre for the radical section of the clergy. It was no coincidence that Khomeini set up his headquarters there when he first came back to Tehran.

#### Raja'i-Mitterand Fracas

London IRAN PRESS SERVICE in English No 33, 14 Aug 81 pp 3-4

[Text] Many French and foreign observers were left mystified by what appeared to be amazingly clumsy handling of the crisis with Iran by the government of French president Francois Mitterand. It was generally conceded that they had made "a very poor diplomatic show."

On Tuesday Iran's president Mohammad Ali Rajai metaphorically flung a congratulatory telegram, sent to him by Mitterand as a palliative, back into the French president's face.

"You are giving armaments and Mirage aircraft to Iraq, and at the same time you wish me success," Rajai said in a reply to Mitterand. "Certainly one of these is untrue and the vigilant peoples of Iran and France know full well which one is a lie." Rajai added that it was an historical disgrace that Mitterand had turned France into a refuge for criminals, murderers and terrorists, an obvious reference to the granting of political asylum to his predecessor Abolhassan Bani-Sadr and Mojahedin leader Massoud Rajavi.

"That was really rubbing Mitterand's nose in the dirt, for he had done everything to abase himself publicly to the Iranians since the tension broke, including freeing the blocked gunboats bought by the previous regime. Why ever the crisis was allowed to blow up to the proportions it did--seemingly a calculated move by Mitterand's administration--if there was no plan to deal adequately with any consequences, is beyond imagination," said one French commentator.

The French press was sore at the harm to their country's prestige, even though the taking of any hostages was avoided and the majority of the French community in Iran was safely out of the country by midweek.

The socialist daily Le Matin, observing Mitterand's diplomatic defeat, regretted that Bani-Sadr had not conformed to French instructions to remain silent so as not

to interfere with the political dealings and asked, "Did he not contribute in some way to increasing tension between Paris and Tehran?"

In Tehran itself the controlled handling of the crisis by the administration enabled its forthright comments on French actions to have their maximum effect. Crowds demonstrating in front of the French embassy were disciplined and in addition to the humiliations heaped on the French verbally the success of the Iranians in forcing the French to travel home on Iran Air flights instead of on a special aircraft sent for them brought in about \$70,000 of extra revenue for Iran!

As the French government cut off Bani-Sadr's telephone and barred nearly all visitors some French commentators as well as Iranian exiles could hardly help comparing his treatment with that given to Ayatollah Khomeini in Paris in 1958. At that time Khomeini and his henchmen were allowed to talk to the press from the whole world, as well as receive countless visitors.

In addition, some asked if the isolating of Bani-Sadr might not be extended to other exile opposition leaders like Bakhtiar. "We could all become scapegoats or even hostages in the hands of a left-wing French government," one exile commented.

Also angering the exiles is the fact that Bani-Sadr and Rajavi, if allowed to talk freely, could well have been able to project a much truer image of the vicious character of the clerical regime than has yet been possible. This could have brought new pressures onto the Iranian regime from the outside world, they say.

#### Refutation of Bani-Sadr Denials

London IRAN PRESS SERVICE in English No 33, 14 Aug 81 pp 4-6

[Text] A claim by former president Abolhassan Bani-Sadr, in a letter to the left-wing French daily Le Monde, that he had opposed post-revolutionary executions in Iran and advocated public trials of leading personalities of the Shah's regime so the people could see the truth, was refuted by a former revolutionary colleague in Hassan Nazih this week.

Nazih, who ran the National Iranian Oil Company immediately after the revolution, told IPS he was witness to the "complaisant silence" of Bani-Sadr when he and others were protesting about the executions at meetings of the revolutionary council.

"He never opened his mouth to back us or condemn any of the reported executions of innocent people," Nazih said.

Bani-Sadr claimed in his letter that he had no responsibility for the formation or functions of the revolutionary courts, which were independent from the revolutionary council.

The former Iranian president was replying to criticism of him by Shahpour Bakhtiar, the main exile opposition leader in two television interviews. Bani-Sadr confirmed in his letter that he created obstacles between Bakhtiar, when he was premier, and Khomeini because, he said, "Iranians wanted to liberate themselves from U.S. domination and Bakhtiar had compromised himself in campaigning against Mossadeq intellectuals after 1953.

Bani-Sadr also denied any responsibility for the excesses of "hanging judge" Khalkhali, who he said was a religious judge appointed by others, not him. In several letters to Khomeini, Bani-Sadr said, he had complained about Khalkhali's excesses. (Bani-Sadr, however, did appoint Khalkhali as head of the anti-narcotics squad and it is widely believed that many political opponents of the regime were executed by him on the false grounds of their being drug-traffickers.)

Bani-Sadr also contended that his successful escape in a military aircraft was evidence that he enjoyed considerable support from the military in Iran.

Finally he reaffirmed that he considered the independence of Iran could not be maintained outside Islam. Islam and autocracy were incompatible, he said, and he again accused Bakhtiar of compromising with the Shah and "presiding over the slaughter of Iranians when he was Prime Minister.

In an interview with IPS' Paris correspondent Nazih, forced out of office and then out of the country by the fundamentalists several months after the revolution, said that Bani-Sadr was "totally involved" in the hostage-taking, bloodshed, despotism and other tragedies which had overtaken Iran, and he dismissed Bani-Sadr's attempts to absolve himself.

It was Bani-Sadr, he said, who climbed onto the U.S. embassy wall in Tehran after the hostage taking and declared, "If there is a way to declare war on America then this is it, the way shown by the students of the Imam's line." Nazih accused Bani-Sadr of being one of the instigators of the hostage-taking.

Nazih, himself a lawyer, also ridiculed Bani-Sadr's claim that his dismissal from the presidency was unconstitutional. He said Bani-Sadr voted for the constitution, and under it his dismissal as absolutely legal.

And, finally, Nazih said, Bani-Sadr had during his presidency blamed Hashemi-Rafsanjani, Beheshti and others for what was wrong, while it was Khomeini himself who was the "mother of corruption." Yet Bani-Sadr had declared his acceptance of Khomeini's Imamate.

Nazih added that he felt the Mojahedin had made a great mistake in joining with Bani-Sadr, who represented nothing and had no power or popular base. This demonstrated that the Mojahedin were young and still very inexperienced, he said.

In an interview he gave to the French daily Liberation which startled many readers with its mixture of vanity and naivete, Bani-Sadr later described Khomeini as "my greatest error." He said it was he who wrote Khomeini's speeches while he was in France, and if Khomeini had become leader of the clergy "it was because of us revolutionaries, the intellectuals whose weight has been brought down to zero in the last two and a half years."

Imputing to himself the characteristics and qualities of famous figures in Iranian literature (incidentally in a work banned by the Islamic regime he helped to set up) Bani-Sadr said it was his wife who had urged him to resist Khomeini and had given him courage. (Some confusion seemed to exist during the week over the whereabouts of his wife; Ayatollah Reyshahri, the military revolutionary prosecutor, was quoted

in the Tehran press as saying she left with her husband, but there was no trace of her on the plane which brought Bani-Sadr out of Iran).

According to Bani-Sadr the war against the Kurds was part of a plot to topple him. (Observers were quick to point out that Bani-Sadr himself rejected a six-point proposal from Kurdish leader Democratic Party leader Qassemloo to solve the crisis, and that afterwards the former president told the troops not to take their boots off until "the counter-revolutionary armed gangs" had been cleared from Kurdistan.

Qassemloo, however, did not let this stop him offering Bani-Sadr a haven with his forces. "You have passed your examination brilliantly," Qassemloo told me," Bani-Sadr said.

The former president went on to describe the present regime in Iran as the most tyrannical in Iran's entire history. He accused bazaaris who supported Khomeini of having been allowed to make gigantic profits (the equivalent of 80 billion francs was a figure for this quoted recently for last year alone).

"I tried to make of Khomeini a revolutionary eternal spirit, but his brain cannot reflect such grandeur," Bani-Sadr was quoted as saying.

He also claimed that "for the first time in the history of mankind," as commander of the army, he succeeded in dividing up the powers of the commanders with the ordinary soldiers. "I promoted many ordinary soldiers to the rank of officer," he said.

The former president rejected any attempt on the life of Khomeini or a military coup, giving as his reasons his objection to any more bloodshed or civil war, and also to the army occupying a dominant role in the country.

Asked what remained of the revolution in Iran, Bani-Sadr replied, "Nothing—just nothing."

#### New Hope for Monarchists

London IRAN PRESS SERVICE in English No 33, 14 Aug 81 pp 6-8

[Text] Whether it was merely the fact that Iran was in the news again, or simply because those looking after the new Shah's public relations took the trouble to circulate copies and tapes of his speech in good time for once, there was no doubting the renewed interest in Reza Shah the Second by the western media last week.

With Abolhassan Bani-Sadr on the run and seemingly heading for limbo perhaps the pressmen were looking for a new anti-Khomeini figure to restore the familiar tyrant-opposition set-up they appear to see everywhere but in their own countries, some Iranians observed.

Surprisingly it was the Guardian in Britain which chose the bold headline "Shah calls for national revolt" and gave it two-column prominence. Some readers thought that this paper, which seemed to relish the Islamic revolution so much in its early stages and whose staff have been bitterly disappointed that their former friends, with their brutality, have made the Shah look like a kindergarten mother in comparison, had been sold to a Rupert Murdoch or a Tiny Rowlands.



The speech, which suggested the monarchist cause was by no means as lost as many of its opponents had hoped, was given prominence around the world, particularly in Persian language broadcasts into Iran. Some Iranians gleefully seized on this as evidence that Western governments were suddenly on their side and against Khomeini (a speaker in Hyde Park solemnly announced that he had evidence that the British government had "withdrawn its support for Khomeini"). But it appeared more likely that some unexpected efficiency from the public relations people in Cairo was the prime cause.

There was no doubt of the boost the new statement by the Shah provided for the majority of exiles, who had become critical recently of the monarchist lobby's seeming inactivity. In London it was promptly announced that a march to support the monarchy and mark an important day in Iran's post-war history, the 28th of Mordad, when the coup d'etat which returned the Shah to power took place in 1953, would be held on August 19. It will start at the Albert Hall at three in the afternoon, and march through Kensington High Street.

The London community also became noticedly more vehement in its cries of "Long Live the Shah" at a charity concert which brought a packed audience to Kensington Town Hall last Saturday night. Many people seemed to have found renewed hope of returning home following the flight of Bani-Sadr and the reports of widespread violence inside Iran.

The concert, the third organised by a body called the Institute of Concerned Iranians which has distributed many thousands of pounds to really needy Iranian exiles, again raised a large sum of money. One woman alone purchased £2,400 worth of raffle tickets for prizes of small value.

Although the institute's workers are solidly pro-monarchist it gets the support of many exiles who have an open mind on the subject, since no-one else has got down to the job of helping the less fortunate section of the community. Latent feelings for such an ancient monarchy among average Iranians are being brought out again as the exiles become more nostalgic for home but ardently hope for a more civilized regime to live under than the present one.

Some observers of the Iranian scene have expressed firm opinions that the reason the armed forces did not move to support Bani-Sadr on the Mojahedin is that there is little sympathy for them among the soldiers and airmen, who still retain old allegiances to the monarchy.

A number of publications recently have commented on signs that support for the Shah remains high in Iran, especially in the armed forces. The Arab Report and Memo (See 1) contended the military still contained "many of the Shah's men" according to its sources.

The publication makes the same cardinal error, however, as have most foreign observers of the Iranian scene in the last couple of years, in saying that the mullahs can hold onto their power "like the late Shah...through a combination of repression and the fact that those who hate the regime do so for many different reasons and they are unlikely to come together."

The late Shah did not in fact need the limited repression he employed to stay in power, for until the mullahs were able to whip up an incredible frenzy against him in 1978 the vast majority of Iranians supported him either enthusiastically or because they saw no reasonable alternative to his rule. Leftist intellectuals and extremist mullahs, in combination, failed to erode that support until the Shah himself and his advisers demonstrated the most startling political naivete and loss of nerve that caused even many of his stoutest backers to look for security somewhere else. Even then it was a firm belief that the Americans and other westerners had decided the Shah's time was up that convinced so many who abandoned their monarch.

A realization that whatever the shortcomings of the late Shah's reign, and the excesses of both some of his Savak agents and money-seeking friends, life was far happier and hopeful than it is today is now widespread among even ordinary people in Iran. They frequently express this view to people they trust but are kept mute publicly only by the atmosphere of terror that the regime has managed to induce, Iranians who have been at home recently say.

"Indeed, it would be astonishing if they didn't think that way, for life is fast becoming thoroughly miserable for nearly everyone," one businessman with British residence who returned to Tehran to try to get his business moving again, told IPS. "The death lists at the prisons and the war front, the fear that it could be your relatives next, the complete absence of any feeling of stability, are creating a dangerous mood that could unleash much worse bloodshed than we have so far seen.

"I honestly believe that anybody who turns up in Tehran and says he's the Shah will get himself a huge following. They'd take anybody if it meant a return to some sane way of living again. The world just doesn't appreciate this--everything has changed in the past few months. Even the Mojahedin have lost their following except among the adventurous young. People are already pointing to the fact that the Mojahedin behaved as badly as anyone else in grabbing jobs, causing trouble in offices and being completely impervious to argument after the revolution."

The fear that the Mojahedin, along with all the other political ideologues, would impose the same oppression as the present regime is yet another reason for people feeling nostalgia for the Shah's regime, he said..."even if there is an element of 'the devil you know'...in their reaction."

CSO: 4600/145

MOJAHEDIN-E KHALQ SAID TO BE 'ON VERGE OF FATAL SPLIT'

London IRAN PRESS SERVICE in English 8 Aug 81 pp 6-8

[Text] Some Iran watchers feel the Mojahedin-e-Khalq, until now the biggest and best disciplined and armed force in opposition to the mullah's regime, may be on the verge of a fatal split.

They point to an alleged "final testament" of Mohammad Reza Saadati, the Mojahedin leader executed in Evin prison last week, which appeared in the Ettela'at daily in Tehran after his death. In it he expressed his view that the Mojahedin organisation had taken a wrong step in backing Bani-Sadr and the other so-called liberals, and they must change their policy and support Khomeini, who was "the symbol of the masses' anger."

Ettela'at said it knew that many people would be sceptical about the authenticity of the alleged statement left by Saadati, but it could be seen to be in his genuine handwriting.

Saadati, one of the Mojahedin leaders, was arrested some months after the revolution when he was in the process of handing documents to a Soviet agent. He was later charged with spying for the Soviet Union and faced the death penalty. But pressure from leftist groups in Europe helped to earn him better treatment, and he was finally sentenced a few months ago to 10 years' imprisonment on the spying charge.

The fact that Saadati was known to be close to the Soviets suggests that others like him in the Mojahedin movement might follow the example of the majority of the Marxist Fedayeen movement which split into pro- and anti-fundamentalist groups some time ago. The pro-regime group have been actively working with the pro-Moscow Tudeh (Communist) party and with the regime in Iran. Some observers now see the possibility of a big section of the Mojahedin, certainly of the leadership, joining up with the Tudeh, leaving the remainder of the movement to continue their opposition stance.

"This would be fatal to the movement and would neutralise it as a powerful force against the regime," one observer said. "There could even be further splintering which could reduce it to minimal importance."

The flight to Europe of the best-known Mojahedin leader Massoud Rajavi is seen as another indication that there are divergences of views among the leadership. The periodical Moghavamat (Resistance), published by a group of leftist intellectuals, posed the questions this raised.

At a time when Iran was in such chaos Rajavi, as a known fighter, should surely have remained in the country, it said. His departure was undoubtedly a blow to the Mojahedin morale. What everyone would like to know, in these circumstances, was whether he left the country of his own accord or was it a decision of the organisation's central council that he should leave?

"If we knew the answer to that, we could get a better idea of what is happening behind the scenes with the organisation's leadership," a London observer told IPS. "We don't even know how the leadership works, whether it is a loose organisation with various better known people working on a freelance basis, or whether it has a close liaison body at its head. Rajavi may just have made his own decision to quit and try a new tack from outside, or he may have been sent to ensure the Mojahedin has a place in a leftist opposition set-up working abroad."

Rajavi's statement to reporters that "Khomeini is worse than Hitler" was bitter music to many of the exiles who heard it, for they were quick to point out that Rajavi was among the early supporters of the Ayatollah and continued his support long after the course of the Islamic republic was clear.

As for the alleged Saadati statement observers said there was no proof that it was a genuine document in spite of Ettela'at's claims and the idea that he would sit down and make such a long document just before his death, or would confess to any part in the killing of the Evin prison governor did not fit in either with his earlier conduct or his character.

Iranians who talked to Mojahedin demonstrators in Europe in recent days said there was no doubt, however, that they were in doubt as to what was happening with their leadership. They continued to demonstrate round the world against the regime in Tehran and its killing of their colleagues, but one interested observer said they were concerned as to the meaning of Rajavi's flight and the future policy of the movement.

Some people saw the reported allegation by Bani-Sadr that elements in the regime were preparing the way for a takeover by the Soviets as a sign that the Russians were trying to break up the Mojahedin movement and draw a segment of it to their side. Saadati, they pointed out, was definitely the Russians' man. This could explain Rajavi's decision to quit along with Bani-Sadr, they said. If some of his colleagues were already heading in the Soviet direction he may have felt his own fate would be sealed if he remained.

CSO: 4600/142



## IRAN

### SITUATION ANALYZED AFTER BANI-SADR'S FLIGHT TO PARIS

London IRAN PRESS SERVICE in English 8 Aug 81 pp 4, 5

[Text] An Iranian journalist gives his assessment of his country's first ever president.

"Bani-Sadr--joins others in elegant exile in Paris" said the caption under the newspaper photograph showing the former president, smiling smugly just below photographs of himself on the walls of a typically smark Iranian home-from-home in Paris.

It said so much about Iranians, about their pre-revolutionary foolhardiness, their post-revolutionary mindlessness, and the feeling each and everyone shares that he is an innocent, well-meaning, even admirable person who has absolutely no responsibility for the bloodletting and othersavagery that have inundated what in the last decade of the Shah's rule became a society in the modern sense for the first time.

Bani-Sadr is credited with fighting tooth and nail against any move by moderate colleagues to stop the anarchy that was inevitably taking over Iran in the last weeks before the Shah left. Even Mehdi Bazargan, whose own ambitions were merely to be prime minister and not to slaughter all those who served the Shah, and Ibrahim Yazdi, who felt God had given him a special responsibility through years of devoted prayer in the alien western world, felt there could be some use in dealing with then premier Shahpour Bakhtiar; but Bani-Sadr, the mullah's son who at that time was driven by the same fanatical drive for revenge of his father's colleagues, in addition to a driving ambition to be Iran's first president, would have none of it.

For him saving Iranians' lives was less important than ensuring he achieved his ambitions. Later as chairman of the revolutionary council he shrugged his shoulders and said, "What can I do?" as many innocent people were dragged before the firing squads. He was quite happy to remain head of state for a regime which countenanced even the stoning of women on occasions, saw nothing incongruous in claiming "liberal" and advanced socialistic ideas while fellow socialists were imprisoned and ill-treated and even executed.

And when he felt his powers decreasing, he saw nothing incongruous, either, in trying to paint himself as a knight in shining armour trying to save the damsel in distress. He started attacking those he had appointed, like the crude Ayatollah

Khalkhali, for their excesses, he refused to cooperate with those who refused to concede him the almighty stature of a president of a country like the United States.

And as he saw the blood spill again as he pushed his campaign against the fundamentalists to absurdly imprudent lengths it seemed he gloried once more in the spilling of blood for Islam, a favourite delight of fanatical Iranian Muslims. It seems never to have occurred to him to temper his extremism to help save the lives of more courageous supporters. "You see, they die for me," he seemed to be gloating.

Once in Paris he was happy to claim the young Mojahedin girls and boys whose blood was spilled so freely by the mullahs had died in his cause. And he promised they would give more of their blood for his and spill more of the blood of other Iranians to give him, Bani-Sadr, the seat on the revolutionary Peacock Throne once more.

The reason why the Bani-Sadr sitting there, beneath his own portrait in a comfortable pad acquired miraculously without his having gone through the greater part of his life without doing a day's work, is such a sinister figure is that he combines the passionate ruthlessness of the leftist revolutionary with the fanaticism of the extremist Muslim.

Khomeini and his Shi-ite henchmen kill with the finality of men who believe that those who are against them are against humanity in general. They say "God" but, in fact, they believe they are the guardians of all decent humanity. Like all of their kind they are nearly all the sons of mullahs, steeped in a medieval, anachronistic fundamentalism that western societies still pride themselves, throughout their literature and art in having virtually obliterated from societies.

Look at their family histories and you will see that they and, as often as not, their fathers, uncles, brothers and cousins have spent their whole lives writing, preaching and meditating in a prescribed prison of thought, closed to that of other faiths and philosophies in most cases, through several generations.

See the archives in Lucknow library in northern India which detail the works written by the antecedents and relatives of Khomeini himself, whose grandfather left Lucknow for Iraq in the mid-19th century and never returned. Khomeini's family mausoleum is still there in a village 60 kilometres from Lucknow, along with the ruins of a religious school which they endowed and staffed. Islam was their life and the subject of their lives' studies. Khomeini's distant relatives still staff the Shi'ite library and the college in Lucknow, along with the descendants of other fundamentalist families who until recently never thought about anything except Islam.

They and so many other of their Shi'ite conferees in Iran have masticated and churned Islam into an imbroglio of tortuous thinking that allows no escape. From being an appeal to the better instincts of man and a code for his living in a way that will please a deity, Islam has been turned into a tyrannical barrier against progressive thinking and liberation from medieval prejudices and super-

stitutions. It says little for a people with such a long history of culture and original thought as the Iranians that they should become the most bloodied victims of fanatical religious prejudice since the days of the Spanish Inquisition. It suggests a frightening degeneration.

Herein lies the tragedy of the situation in which Iranians find themselves today, one which turns up people like Bani-Sadr who confuse the media treatment of freakish revolutionaries with adulation and admiration, the relish of journalists for other people's distress with feelings of genuine concern, the fanaticism and brutality of the modern left with something less ignoble than the imperialism of the past.

While Bani-Sadr remained in Iran, trying to cope spontaneously with a human situation, perhaps he had some hope of helping settle his society onto some reasonable course. Back in the West, where his religious background and mental limitations always made him a misfit, seeking reassurance with other oriental misfits like Le Monde writer Eric Rouleau and intellectual luxuriates who despise ordinary humans with ordinary tastes, he can only revert to the insignificance that frustrated him for so long.

Insignificant, that is, to Western society. With both Khomeini's supporters and the majority of the exile communities seeking his blood he must stand a fair chance of winding up in Paris' Muslim cemetery. He'll soon be forgotten, for just as Muslims happily obliterate their cemeteries after a few years, so they accept the temporality of life and the causes of it. Non-Muslims, contemplating the phenomenon of the Islamic revival, could well cogitate on that.

CSO: 4600/141

## 'DEVIATED' BANI-SADR CONTRASTED TO 'LOYAL SON OF KHOMEYNI'

Tehran TEHRAN TIMES in English 4 Aug 81 pp 1, 3

[Article by Ahmad Fargah]

[Text]

'ID' CAN be defined as 'Return'. Within the Islamic perspective, 'Id Al-Fitr signifies the blessed occasion for the reunion with the authentic 'Self' of the Moslems. It also commemorates a triumphant day - the graceful day following the ultimate victories achieved in one month of committed resistance to the inner desires. This is because, after the triumphant sanctifications in the sacred aspiration towards a divine temperament, the purified individual will be blessed with the holy potential for an antagonistic confrontation with the satanic adversaries. The Moslem nations celebrate the auspicious occasion of 'Id Al-Fitr. The Moslem Iranians also cherish the sacred memories of the historical revolutionary incident of the Prayer Congregation of 'Id Al-Fitr,' held in 1979 under the leadership of martyr, Ayatollah Mofatteh on the Qeitarieh hills. This sacred ritual made a decisive contribution to the inevitable downfall of the Royal Autocrat, the Shah.

'Id Al-Fitr of the current year is also historically significant since, on such a graceful occasion, the leader of the Islamic Revolution officially consigned the presidential authorities on the second President of the Islamic Republican regime. According to the Islamic Constitution, the consignment of the presidential authorities is the exclusive commission of the Supreme Leader of the Revolution, Imam Khomeini, in accordance with Velayat-e-Faqih. Still, we should expound on the motivating factors behind the downfall of ex-President Bani-sadr. It must be noted that the ousted President Banisadr had a dreadful temperament and had no faith whatsoever in Islamic Jurisprudence.



Despite the initial warnings of Imam Khomeini against any alterations in behavior after being elected President, the ousted president made considerable changes in his ideas and behavior. Consequently, he severely denounced the occupation of the U.S. 'Spy Den' by the Moslem followers of the Imam's line (this unprecedented incident has come to be recognized as the second Revolution). Banisadr also granted full freedom to the anti-humanitarian splinter-groups for their out-lawed political activities and armed oppositions. He even issued a certificate for arms possession to the deviationist members of the Mujahedin Khalq. In short, Banisadr assumed a hostile attitude to the Imam and the Moslem nation.

The faithful Moslem nation could no longer endure the antagonistic attitude of the ex-President Banisadr. Thus, they flooded the streets to stage demonstrations against him. The 17 million people who cast their votes in favor of Banisadr thus withdrew their votes of confidence. Moreover, 30 million demonstrators shouted, 'Down with Banisadr' and demanded that the Islamic Consultative Assembly legislate a Bill, advocating the political incompetency of President Banisadr. Subsequently, the Islamic Majlis ratified the aforementioned Bill and Imam Khomeini issued a decree to remove the deviated President.

Afterwards, Banisadr, who failed to bring about severe clashes on July 24th (the second round of the Presidential Poll) escaped from Iran, disguised in women's clothes and accompanied by the notorious saboteur, Masoud Rajavi.

We, hereby, present you with some questions and the replies which one would expect from the dishonest news correspondents of the Western media who disseminate provocative propaganda against the Islamic Republican Regime. However, these news media have been completely and utterly disappointed in their futile attempts to soil the prestige of the Islamic Revolution.

The crucial questions are as follows:

1) Why did Banisadr finally escape, despite all his exclamations concerning fortified resistance to the Imam and the Moslem nation.

2) What is the relationship between the ousted Banisadr, the fugitive terrorist Rajavi, and the private pilot of the deceased shah, Colonel Moezi. After all, the toppled President Banisadr in his interview with the BBC the fascist voice of England, has assumed full responsibility for the planting of the bombs and it was the counter-revolutionary saboteur, Rajavi, is the instigator of the fatal armed oppositions on June 20, 1981.

3) What is the relationship between the fugitive Banisadr and Kasem Rajavi, the former representative of the deceased shah to the U.N.? After all, in the course of his robbery of the classified documents from the Foreign Ministry, Fazli Nexhad, the former representative of the Office of the ousted Banisadr also made efforts to steal the papers concerned with the salary of Kasem Rajavi who had been employed with SAVAK. It is significant to note that Kasem Rajavi has been assigned as the official interpreter for the negotiations between the French government and the Iranian crew of the plane which took Banisadr and Rajavi to France, since the Iranian crew have requested to return to Iran.

4) Finally, what is the relationship between the U.S. and the toppled Banisadr? After all, the documents in the U.S. 'Spy Den' have certified that Banisadr, was the economic adviser of a trade company in the U.S. Does it mean that the aforementioned trade company had to employ Banisadr as the only qualified economic adviser?

We fervently hope that the naive supporters of Banisadr and Rajavi will not be further deceived by the treacherous friends of these fugitive counter-revolutionaries. The alert Iranian nation will no longer be enchanted by Western ideology of 'Nationalism' which annihilates human values. In this respect, the Iranian Moslems cast 13 million votes in favor of Rajai as the pious, devout believer in the Islamic School of Thought. Moreover, President Rajai, the genuine manifestation of Islamic values, has permanent scars due to tortures inflicted during the tyrannical reign of the shah.

President Rajai is also honored as the loyal son of Imam Khomeini, as well as his faithful follower. President Rajai also cherishes the conviction that even the slightest deviation from the righteous path of Islam will motivate the nation to withdraw the 13 million votes of confidence. In the event of such a calamity, the Imam's conviction will be substantiated for the Imam, warned President Rajai, in case of violation of Islamic Jurisprudence, the 13 million voters would shout, "Down with you." This is the genuine origin of the Revolution. Such is the Islamic Revolution.

IRAN

NEW SHAH TELLS SUPPORTERS: BE PREPARED

London IRAN PRESS SERVICE in English 8 Aug 81 pp 9, 10

[Text] Reza Shah the Second, in a message to mark the 75th anniversary of Iran's 1906 constitution, has told his supporters and opponents of the Khomeini regime they should be ready to rise against the present Tehran regime.

"Prepare yourselves," he said. "Many things are going on behind the scenes both in and outside the country...things will happen very shortly...groups are well organised and will soon be showing themselves."

He also warned his compatriots against thinking it was in the hands of foreign governments to take action to change things in Iran. "That is wrong," he said. "It is in our own hands, and we must show the foreign governments we mean business."

The new Shah said action must be taken soon, for the present regime was not capable of doing anything but kill. If it continued with the slaughter, the country would inevitably disintegrate, and foreign governments would intervene.

Saying the so-called revolution was a true one, he said it was the duty of all Iranians, including he himself, to fight for the constitution of 1906. He pointed out that leading religious figures had a hand in making that constitution, the best Iran had ever had and which had been torn up in 1979.

Since then the Iranian people had learned an expensive lesson, which was that without a proper constitution a government could not govern.

CSO: 4600/143

PRINCESS ASHRAF 'WILL FIGHT ON'

London IRAN PRESS SERVICE in English 8 Aug 81 p 10

[Text] Princess Ashraf Pahlavi, twin sister of the late Shah, told a French television interviewer this week that it saddened her to think of the readiness of the French government to give asylum to president Bani-Sadr when they were not prepared to offer the same facility to her late brother.

But she said she was not going to retain much rancour about things like that now.

The Princess said she would continue her political struggle against the regime in Tehran and would not give it up until the new Shah (her nephew) was on the throne.

She added that she was not afraid of terrorists, for attempts had been made on her life before and she was used to living with security.

Meanwhile monarchist groups, mostly young people, have continued their demonstrations outside Iran against the regime in Tehran. At the Iran Air office in London on Tuesday they tore down photographs of Ayatollah Khomeini and distributed photographs of the new Shah.

CSO: 4600/143



PERSECUTION OF RELIGIOUS MINORITIES REPORTED

London IRAN PRESS SERVICE in English 8 Aug 81 p 9

[Text] Fears that a systematic eradication of all Bahais left in Iran is being planned by the mullahs regime there is being voiced by foreign Bahai sources as news seeps out of Iran of more and more executions of members of the Bahai community in the past couple of weeks.

There are also renewed reports of Jews being arrested in greater numbers and more executions threatened. The numbers held are said to be much higher than has been publicised in the West, but fears that any new protests could lead to the killing of many of those held have muted complaints, according to some Jews in Europe.

"The problem of Iranian Jews in exile is the same as that of Bahais and, of course, Muslims whose relatives are left in their home country at the mercy of thugs," one former Tehran Jew told IPS. "If we open our mouths the mentality of those mullahs is to slaughter a bunch of our people to demonstrate their implacability.

"What do we feel when we read that Israeli suppliers have been sending arms and spare parts to Iran, presumably with the open consent of the government, and then Israeli planes go and bomb the nuclear reactor of the opponents of the Jew-baiters in Iran?" he asked. "We wonder what marks out us Iranian Jews as unworthy of the support and protection of our brethren."

The main complaint of Iranians--Muslims, Jews, Bahais and the so-far reprieved Christians--is that international organisations and governments who pay lip service to human rights have failed to voice their opposition and condemnation of what is happening in Iran.

"The reason we can be singled out for revenge so easily by the murderous mullahs is that others not involved in the slaughter hardly say a word for us," one Bahai told IPS. "Amnesty tells us they can only make representations on our behalf if we give them names and details, but if we do those people back in Iran will surely slaughter another group of our relatives. While there's life there's hope."

Certain aspects of Bahai religious beliefs also tend to discourage them from making complaints that sound like calls for revenge. When asking sympathisers outside Iran to speak up for them they have also encouraged them to refer to attacks on Bahais in Iran during the time of the late Shah, imagining they will

gather further sympathy from this. Instead many of their Muslim compatriots have been angered by what they see as gratuitous attacks on the late Shah, who has himself been strongly criticised by many fanatical Muslims for allowing Bahais to take prominent positions during his regime. The Shah deliberately protected the Bahais in the last years of his reign and favoured prominent members of the faith over Muslims for a number of key positions.

This is not to say that prejudice against Bahais during the Shah's regime was not widespread. The followers of the faith have always been seen as heretics by devout Muslims. But violence against the Bahais in Iran has always occurred at the instigation of the Muslim clergy, never as a voluntary action by a government until the past two years when the clergy became the government, it is pointed out. Ordinary Iranians have contained their prejudices over the centuries to demonstrate a tolerance of other races and beliefs second to none.

CSO: 4600/143

FUTURE OF IRANIAN KRUPP HOLDINGS DISCUSSED

Brussels KNACK in Dutch 1 Jul 81 p 170

[Interview with Minister of Industries Herawi]

[Text] No indiscriminate layoffs

The Iranian state, which owns 25 percent of the shares of the German steel enterprise Krupp, prevented the firing of 5,000 steel workers. Iranian Minister of Industries Herawi, who is a member of the Board of Directors, explains why.

Question: Your vote in Krupp's board of directors did away with a plan of reorganization which would have eliminated 5,000 jobs. Why?

Herawi: Indiscriminate layoffs are not in accordance with our Islamic ideology.

Question: Is your veto really based on purely religious principles?

Herawi: The fate of people in the production process is more important to us than economic considerations. We feel that we are doing the right thing when people get what they are entitled to, including their right to work. In this respect we met with success at Krupp; the spontaneous approval of the members of the enterprise council and of a great number of steel workers confirms this.

Question: A shareholder is usually concerned about profits. What is your role in Krupp? As member of the board of directors do you consider yourselves as representative of the interests of the employer or of the employees?

Herawi: According to our principles there ought not to be any contrasts. Islam is opposed to any kind of power structure in factories.

Question: How do you put that into actual practice?

Herawi: The leaders and the workers of an enterprise are all members of the same community which produces to benefit everybody.

Question: The European steel industry is struggling with overproduction. Did you realize that your opposition against the reorganization plan will make the perilous condition of the Krupp factory even worse?

Herawi: We do not reject every reorganization plan in advance.

However, we are primarily concerned that the workers will not become the only victims. Indeed, our philosophy of life is not based on materialism. This distinguishes us from the actions of Western capitalism and the materialistic point of view of Eastern socialism.

Question: How can you reconcile your ideology with the chance that if Krupp's rationalization plan is deferred more than 5,000 jobs could be lost in the future?

Herawi: Your argument that by terminating thousands of jobs other jobs can be saved is actually absurd. In a famine-stricken country it would be tantamount to demanding that 300,000 persons be killed to allow the rest of the people to have something to eat. At Krupp we stuck to our ideas. After our action the management presented a new plan. And behold, suddenly another solution is found.

Question: Why do you approve of the new plan? Krupp's leadership says that 4,000 jobs are yet to be eliminated.

Herawi: To us it is important that nobody gets fired. The plan to mothball steel foundries in Hagen which would make 2,000 workers jobless is definitely out. The elimination of jobs at Krupp will exclusively be achieved through accelerated pensioning and leaving vacancies open. The members of the enterprise council agree to this.

Question: From now on will Krupp's management policies be decided by Tehran and your embassy in the Godesberg Allee?

Herawi: Not at all. That role was only forced upon us because the labor union apparently neglected to protect the interests of the workers.

Question: The labor union, in particular its member of the board of IG Metall Rudolf Judith, who is sitting beside you in Krupp's board of directors, as deputy chairman, is probably not in agreement.

Herawi: That is most likely. Based on my knowledge of the situation I am not surprised that Judith would have agreed to the plan of mass layoffs if we had not been against it.

Question: Is this your answer to Judith's attack on Iran accusing it of flagrant disregard of the rights of its workers?

Herawi: I do not feel at all that I am under attack. That man does not know what he is talking about. Mr Judith is upset that he was outperformed on the left by the Islamic Republic. Some labor leaders are therefore now diverting public attention away from their own shortcomings. Did IG Metall show concern with the fate of Iranian workers when they were oppressed and exploited under the regimen of the Shah?

Question: How are workers treated differently under Khomeyni?



Herawi: Iranian workers are now actually in charge of their factories. They have a voice in all problems of management policies and should in the future (we are working on this) help to decide what should be produced and for what reasons. For instance, everybody should then be involved in a decision on sales to South Africa. That is our form of participation in management.

10319

CSO: 3105/156

## USE OF CHEMICALS IN IRAN WAR DENIED

JN121828 Baghdad INA in Arabic 1750 GMT 12 Aug 81

[Text] Baghdad, 12 Aug (INA)—A military spokesman has denied the news reiterated recently by the Persian information organs in which they claimed that the Iraqi forces had used chemical substances in the (Tamarshin) mountain area west of the Iranian town of Piranshahr.

In a statement to INA, the military spokesman said that this claim is baseless and is part of the campaign of lies and falsehoods launched by the Iranian regime.

The military source regretted that an international agency like REUTER, citing the Persian PARS NEWS AGENCY, carried these lies without scrutinizing them or linking them with the background of this regime, which is based on lies and fabrications.

He stressed that victorious Iraq, which derived its victories from its sound human and national position, does not need to resort to such an act. He added that if Iraq had been in need of such action and if it had approved it, it would have used it earlier and against more important military positions than those referred to. He pointed out that the Iranian enemy is engrossed in the course of lies and falsehoods with the aim of covering its repeated defeats before our valiant army.

He said that by such claims the enemy may have also meant to prepare for the employment of internationally banned weapons which its ally Israel may be trying to get it to use, as it previously used napalm and phosphor bombs against our valiant army, which was not shaken by them.

Concluding, the military spokesman warned the Iranian regime against falling in the trap of Zionism by using internationally banned weapons. He said that this regime should always remember the consequences of its previous wicked acts.

CSO: 4304/119

**'BAGHDAD RADIC' ATTACKS SYRIAN FOREIGN, DOMESTIC POLICIES**

JN181855 Baghdad Voice of the Masses in Arabic 1615 GMT 18 Aug 81

[Unattributed commentary]

[Text] Upon reviewing the course taken by the Syrian regime since assuming power, we find it abounding with political, security, economic and national crises as well as with acts contrary to international norms and charters.

A few days after the hostile war imposed on Iraq by the Persian enemy began, the Syrian regime tried to pretend to be neutral. However, when it learned of Iraq's victory and of the defeat of its allies, the Persian aggressors, it quickly unveiled its real face and began to offer the Tehran rulers various forms of military, economic and political aid, the last of which was placing Syrian airspace and land at the disposal of the Persian enemy, knowing that this enemy not only threaten Iraq's security, sovereignty and territory, but also publicly threatens the entire Arab Gulf region's security, sovereignty and independence.

By so doing, the Syrian regime sought to alleviate the impact of the Persian regime's defeat. Nevertheless, the Persian enemy continued and is still continuing to receive painful blows by our armed forces' heroes. Moreover, the impact of the Iranian internal crisis and internecine fighting among the regime's leaders has escalated. The Syrian regime considers those leaders its allies, portraying each of them as a legendary hero of revolution, progressiveness and leftism.

After the Syrian regime failed to solve its exacerbating domestic problems and crises, it began to look across its border, searching for a certain role that could justify its evasion of confronting one of the Syrian Arab people's national struggle issues, that is, the issue of the occupied Golan Heights. Due to geographic, political and security considerations, the Syrian regime found in Lebanon the opportunity to play the role it wants as well as the role drawn up for it. As it has interfered in Lebanon in vain for 5 successive years, it moved and in so doing moved the situation toward an explosion as well as toward the worse. The Syrian regime practiced all forms of intervention in Lebanon's internal affairs. It drew the sword of its terrorism against the national forces and the independent press; it abducted free writers for expressing their objection to this regime's heinous role.

The Syrian regime's objective in Lebanon was and is still that of consecrating the abnormal situation there and keeping Lebanon a weak follower subjugated to its will.

Therefore, when there were signs of the victory of the Lebanese nationalist movement and the Palestinian resistance over the rightist forces and when Lebanon got very close to an end to the bloodbaths, thereby beginning an epoch of stability, the Syrian regime, with a green light from the United States and the Zionist entity, sent its troops to Lebanon in order to occupy it, strike at the Lebanese nationalist movement in favor of the rightists and consecrate the bleeding and disruption in Lebanon, thus serving the capitulatory settlement plans in the region.

When the Arabs try to help Lebanon solve its political, security and other problems and when they try to boost all accord proposals made by the official Lebanese authority or by other local national quarters, the Syrian regime immediately foils these Arab and local efforts. For instance, the Syrian regime has deliberately foiled all Arab initiatives and solutions beginning with the Riyadh summit resolutions in 1976 and ending up with the ninth Arab summit conference in Baghdad as well as the Tunis and Amman summits. It has also deliberately and out of evil intent foiled all national initiatives and national accord proposals, beginning with the round table, the broad front and the program of the nationalist movement for national accord, and ending with the Lebanese Government's 14-point national accord plan and the attempts to form a national accord government comprising all disputing forces on the basis of faith in Lebanon's unity, Arabism and independence.

Internally, the Syrian regime is suffering from several crisis, most prominent of which might be the growing opposition which expresses itself daily through various militant forms. Hence, in an attempt to abort the role of this opposition, the Syrian regime spends large sums on its intelligence organs in order to carry out acts of terror and suppression against citizens both inside and outside Syria.

CSO: 4304/119



## INCREASED OIL OUTPUT PLANNED

London 8 DAYS in English No 32, 15 Aug 81 pp 44, 45

[Article by Michel Szwed-Cousins]

[Text]

IRAQ PLANS to build new pipelines within the next two years to Saudi Arabia and Kuwait. This was revealed in London on 31 July by the Iraqi oil minister, Abdel Karim Tayeh. He said the decision was prompted by the difficulties caused by the war with Iran, which he believed could carry on for some while yet.

Compared to the 3.5m b/d Iraq exported before the war, mainly through the Gulf, exports are now down to just under 1m b/d, passing through the two Mediterranean pipelines to Syria and Turkey. The lines, however, are running under capacity and the branch from the Syrian line into Lebanon is not used, says the minister, because of difficulties with Damascus.

Both the Saudis and the Kuwaitis have agreed to the two new pipelines. The Saudi line, about 1,400km long and with a capacity of around 1m b/d, will have its outlet on the Red Sea. Abdel Karim Tayeh did not mention where, but it is expected to be Yanbu, the terminal of Saudi Arabia's own new 1,215km trans-Arabian pipeline which cost \$1.6bn. Shipment from Yanbu started last month.

The pipeline through Kuwait will be 400km long and carry slightly less than the Saudi one. This means that when both are complete, Iraq should have an export capacity not much less than pre-war.

Proposals to build a pipeline to Aqaba in Jordan were not considered feasible because of its proximity to Israel. However, Abdel Karim Tayeh announced that Iraq was thinking of building a refinery in Jordan and supplying the country with oil. This is because of Amman's support for Baghdad against the Iranians. Until now Jordan has taken most of its oil from Saudi Arabia. This latest idea, it is thought, will entail building a third pipeline to a point other than Aqaba to fuel the proposed refinery.

Abdel Karim Tayeh was in London (the third Iraqi minister in recent months to visit the British capital) to discuss Anglo-Iraqi cooperation in oil development. Among those companies he is hoping to bring to Iraq are BP and Shell. Iraq wants to 'set up new relationships' with the two, which would include allowing them to lift Iraqi oil once more.

On pricing, the minister said that Iraq would revise its prices if there was a corresponding repricing of goods the country imported. Inflation would also have to be taken into account. However, he believed that Opec would shortly act to coordinate both pricing and production policies amongst member states. African members of Opec — Libya, Algeria, Nigeria and Gabon — recently met in Tripoli and called for such a summit.

At the meeting, the question of Saudi production will predominate. The Saudis, said the minister, 'expressed readiness to reduce production' when oil ministers from Islamic countries met informally in Taif in Saudi Arabia on 15 July. He believes the Saudis will start cutting production by about half-a-million barrels a day this month. But, whatever way it is done, it will be gradual. The Saudis are producing 10.3m b/d at the moment, but they are believed to be willing to cut back if others agree to a basic reference price of \$34 a barrel.

A call for moderation in pricing and production policies has also come from another quarter in the Iraqi oil ministry. Its head of research, Muhammad Ali Zainy, writing in the *Opec Review* last month, called for production to be determined by the development requirements of each country concerned. Rejecting both consumption-linked production policies or those wedded to conservation as harmful to the interests of present and future generations, he called for production to be related to internal investment.

CSO: 4300/89

IRAQ

BRIEFS

FRG WINS TRAIN CONTRACT--Thyssen Henschel of West Germany have won a DM 250 million (about \$101 million) contract to build 82 locomotives for the Iraqi government. Deliveries are due to start at the end of next year, according to reports from London. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 32, 10 Aug 81 p 9]

CSO: 4300/91

ISRAELI AIR FORCE SEEN MAINTAINING QUALITATIVE SUPERIORITY

Tel Aviv BITA'ON HEYL HA'AVIR in Hebrew Apr 81 pp 10-13

[Interview with David 'Ivri, Air Force Commander, by Aharon Lapidot; date and place not given]

[Text] Recently events involving the air force directly or indirectly have become the center of public attention. Subjects such as air battles in the skies of Lebanon and the downing of Syrian MiG's, terrorist attacks, the integration of modern aircraft by countries of the region, development of the Lavi aircraft, and so forth are making headlines.

The commander of the air force, Maj Gen David 'Ivri, consented to give a special interview to BITA'ON HEYL HA'AVIR in which he commented on the above subjects.

[Question] General 'Ivri, the past few months have been marked by intensive activity especially in southern Lebanon. Can you summarize the activity of the air force in the north recently?

[Answer] The air force's activity in southern Lebanon is intensive and is carried out in accordance with the government's policy of Israeli initiative against the terrorists. When a target is clearly and precisely identified, the air force goes into action and attacks--understandably, through the selection and determination of target priorities. One of the most important criteria for a target selected for attack is the certainty that it is not a civilian target but a terrorist target.

We have had very good success to date in the precision of the attacks and the reliability of carrying out the missions. Recent events have been especially marked by frequent use of helicopters. The helicopters have been operated in coordination with the ground forces and have taken part in many ground operations.

The Syrians are finding themselves between the hammer and the anvil. The Israeli attacks are causing the terrorists to put pressure on the Syrians to intervene. The Syrians, who feel committed to the terrorists, react and attempt to prevent the air force from carrying out its missions. Their objective is not only the attacks but also our reconnaissance flights.

[Question] Was this the reason for the air battle of 13 February?



[Answer] Yes. Already in January we detected a Syrian tendency to disrupt our reconnaissance flights. The disruptions continued into February and we were alert to it. We sensed a tendency to provoke a clash on certain reconnaissance flights, and on these flights we reinforced ourselves with an escort. The flight of 13 February was escorted by an F-15.

The Syrian aircraft came towards our aircraft with the clear intention of interception. It was moving at a very high rate of speed and with great acceleration. This data can easily be identified on the radar--the space between the blips on the radar screen was considerable, and it was apparent that the Syrian fighter was moving at a high rate of speed.

At that time the reconnaissance aircraft had to suspend its photography, and in order to protect itself, the F-15 was forced to move immediately to intercept. The pilot fired at the Syrian aircraft and saw it explode, but he was unable to identify the type with certainty. However, it is clear to us that according to the speed and performance of the aircraft as viewed on the radar screens that the Syrian aircraft had to be a MiG-23 or MiG-25. According to foreign sources, it is highly probable that it was a MiG-25.

The battle was very short. Our aircraft returned safely to their bases, and we continued our missions as usual.

The tension in Lebanon has not eased, and I have no doubt that we must expect actions in the future both against attacks and reconnaissance flights. We will continue to carry out our policy with due consideration and caution so as not to be forced into retaliation.

[Question] Does the terrorists' operations of gliders have any implications for the air force?

[Answer] The gliders are weapons which come from the air and are hostile. As such, they are an air force concern. The air force is ready for them, and I will not elaborate on that. However one thing is clear:

Combatting gliders which come in the night is completely different from intercepting an attacking MiG. Nevertheless, we must be careful and not get carried away, for example, by diverting all our combat resources against the gliders and forgetting the real target of the air force. Combatting the gliders is in no way the most important function of the air force.

[Question] It is apparent from what you are saying that you do not consider the gliders a one-time occurrence.

[Answer] Absolutely not. I believe that a terrorist organization will aspire to do everything it can to cause damage and in every area, even the air, and not only with gliders. We know that the terrorists have pilots who are training on fighter aircraft and helicopters, and it is apparent that they are trying to build an air force. An air force, which has no national responsibility, can do things which a state cannot do. This is a constant threat in the area, but it must be dealt with in the proper proportion. They will not conquer the State of Israel, however they can cause us damage in materiel and morale.

[Question] Permit me to move to a different subject. How have the F-16 aircraft been integrated in the air force?

[Answer] I can say that in regard to the F-16, we have experienced a sad and happy occurrence in Iran. I am referring to the Khomeini revolution. This revolution preceded our receiving the aircraft by about 1 and one-half years, and we were forced to prepare the groundwork for integration on very short notice. I owe a pat on the back to those who did the staff work, the field work, and the integration groundwork for the aircraft. This was a complex and difficult organizational and procedural operation which was done under the pressure of time and on an unprecedented scope. It was carried out in an outstanding manner. We have been flying the F-16 since July 1980, and we have quickly reached a state of operational readiness. In comparison to other countries which received the F-16, we completed the integration in one-third of the time.

[Question] The air force also improvised several original solutions for the F-16....

[Answer] Yes, that is correct. One of the interesting improvisations is the vertical ejection rack, a bomb rack which was developed here in Israel for the F-16. Actually, the vertical ejection rack was developed on the basis of the bomb rack in the Skyhawk and Phantom. In the development of the F-16, the Americans have not yet reached the stage of developing a bomb rack while we have achieved a double advantage, of time and cost. It is clear that the new system will be more complex, more complicated, and inestimably more expensive. We used equipment available to us with an extremely significant savings of cost, and we adapted it to the F-16. In other matters we learned very much from the integration of the F-15. As is known, the engines in these two fighter aircraft are the same, and there is considerable similarity in the technology and avionics of the F-15 and F-16. Similarly, we transferred the technicians from the F-15 to help in the integration of the F-16. I regard the integration of the F-16, considering the pressures of time, as one of the most successful aircraft integrations in the air force that I can remember.

[Question] How do you feel the air force will continue to maintain the quality gap between it and the other air forces in the region in light of the appearance of advanced aircraft such as the F-15 and F-16, and perhaps even the AWACS and Tornado among our neighbors?

[Answers] Maintaining the quality gap is a fundamental problem of the State of Israel--and of the air force. It is a continuous battle, and there are peaks from time to time. When we integrated the F-15, we reached a peak and the gap between them and us seemed to grow. When they integrate the F-15, this peak will close. However, the gap is not only a function of a certain type of aircraft. The qualitative gap between air forces is measured by the output of your entire system, beginning from the Piper, the technician, the battalion guard, and the quartermaster, and ending with the one who presses the button to launch a missile or release a bomb. Even the BITA'ON HEYL HA'AVIR is a component in this system....

The entrance of the F-15 or F-16 into a hostile country does not mean a simultaneous change in the gap between a technician here and a technician there. If we are successful in deriving more sorties from our F-15, more missiles, and better hits, we will maintain the qualitative gap.

The time factor is also significant. We have been flying the F-15 since 1976, and a gap of skill and combat doctrine developed over the years has already been created. Therefore, such a type of airplane or another does not necessarily mean a closing of the gap. Nonetheless, the Tornado aircraft, for example, definitely constitutes a threat. It is a deep penetration and attack aircraft, high speed, modern, and precise in terms of the positioning of its armament, and we have to know how to operate our F-15 and F-16 better.

[Question] What if we have to deal with their F-15 aircraft and their AWACS?

[Answer] We will deal with them if we have to.

[Question] What about quantities? What role does the quantity of aircraft in the hands of one side play?

[Answer] I have no doubt that quantity has an effect. However, quantity can be overcome by means of multiplications of power. Already there is a ratio between us of about 3 to 1 in their favor. We can already say today that we cannot cope with such quantities. Rather, the true question is not the number of aircraft you have or the number of bombs which you can carry but how many sorties you can carry out and how many of your bombs actually hit the target. Did you select the correct target, one which if you hit it will have a maximum effect on the course of events? These are the true criteria. In these matters we have demonstrated to date our superiority, and there is a good prospect that the air force will demonstrate this also in the future.

[Question] What stage is the Lavi project in now?

[Answer] I can say that we have completed the basic work in determining the operational requirement or the characterization of the aircraft. The Lavi project team, now located in the air force, will have to concern itself with the refinement and detail of the requirement, together with similar teams of the Aircraft Industries and the Ministry of Defense. We can demand superior performance from the aircraft, however ultimately we must consider the limitations of technology, time, and budget. And the trade-off between requirements and limitations is a difficult and complex task. In reality, the Lavi is our first attempt at building an aircraft from the actual foundation and not from a stage of modification. The Kfir, for example, was built on the basis of the Mirage. It underwent many changes--engine, systems, wings, winglets--however, despite all the changes, it still can be seen as the grandson of the Mirage. As for the Lavi, however, we are planning and building it from the first stage.

[Question] What about the budget for the project?

[Answer] The budget crunch is already affecting us. This year we will receive less than what is desirable and what was planned. If we do not have enough money for the development process, and as a result the development takes much longer than was planned, the aircraft will become expensive. I hope that this will not happen and that along the way those who cut for us our slices from the budget cake will understand the importance of the subject and treat the project accordingly.

[Question] What kind of aircraft will the Lavi eventually be?

[Answer] Essentially, we are interested in an inexpensive and small aircraft, one which in about 10 years will be able to replace the Skyhawk and the Kfir in the air force's disposition of forces. Therefore, it will be a one-engine aircraft but both a one-seater and a two-seater. We are planning a relatively large series of the two-seater version because we consider the Lavi also as an aircraft for instruction and advanced training.

[Question] You recently visited the United States and the American Air Force. What is your impression from the visit?

[Answer] The feeling that I had throughout the visit was one of esteem and admiration for the Israeli Air Force. I felt at time that the esteem was even somewhat exaggerated. They give you credit and expect more from you.

The reception was outstanding. I was met with a sympathetic and open attitude, an actual feeling of personal intimacy, both from those whom I had met on their visits to Israel and those whom I had met for the first time. It was difficult for me to become accustomed to the fact that the strongest power in the world was expressing such esteem for a representative of a small country. I encountered several such displays, including those from ordinary airmen whom I met at the American Air Force bases. They knew, and inquired, about the air force more than I had imagined. On another occasion, when our air force attache held a cocktail party, all the prominent people who were invited came without exception. This was an unusual phenomenon, and I felt that it was important to them to meet me and to express their esteem and respect which they feel toward the air force and that the professional connections with us were important to them.

During your visit you flew an F-18....

[Answer] I flew the F-18 at the American Navy's test center at Patuxent River on the Atlantic coast. The flight was in a two-seat F-18. Although I sat in the rear seat, I did most of the flying. The flight lasted about 1 and one-half hours and included refueling in the air. A Phantom escorted us, as is customary for every aircraft in its test stages. The flight itself was very intensive and included virtually the entire flight spectrum: air-to-air, air-to-ground, maneuvers, comparison of performance with the Phantom, operation of the engines at low and high altitudes, and so forth. The aircraft, despite its being the most advanced one in the F-15 and F-16 family, is impressive in the facility of flying it. It is easy to taxi and the take-off is short. Especially impressive are the operation of the engines, the transition from non-ignition to full burn, and the electronic guidance.

The flight instruments of the F-18 are mostly concentrated on television screens. Most of the buttons and switches are concentrated on the two grips: the stick and the throttles. You can actually receive all the information you require without moving your hands. It is more like "playing music" than flying. In sum, it was a very delightful flight.

[Question] Is there any significance to your flight in the F-18? Or was it in the category of a courtest flight only?

[Answer] No. I wanted to get a feel for the aircraft and impressions from it. The American Navy considers the F-18 as its primary aircraft of the future. It is a



expensive aircraft, and it is in one of our plans. Therefore, we are following the aircraft's development and performance continuously and are evaluating it in order to make a decision regarding it in the future. Naturally, my flight did not determine if we will procure it or not. The flight was part of our following the progress of the aircraft, and when the time comes, we will combine all the impressions and make a decision.

[Question] What is behind the reports that the Etziyon and 'Eitam airfields will be turned over to the Americans?

[Answer] I do not assume that they would be opposed to receiving them.... Will this actually take place in the current political alignment? I do not know. It is a political problem. Nevertheless, we are evacuating the fields as planned in April 1982, and it seems that this date is indeed coming. The planning for the transfer has been completed, and the evacuation and the entry into the new fields will soon begin. We had hoped that we would be able to provide additional manpower to the new bases so that they would make the absorption easier. However, unfortunately, the situation at the moment is just the opposite. They are even cutting our current manpower. There is no doubt that the air force will have to place a strong emphasis on the evacuation and the transfer to the new bases, and the other bases will have to suffer somewhat.

On this occasion, I call on all the air force personnel to mobilize for the transfer operation. Even psychological support alone will facilitate the implementation of the task, and I hope that when we look back on the transfer, we will be able to consider it a success.

[Question] It finally appears that the air force personnel will soon have new uniforms.

[Answer] Correct. On the next Air Force Day, the regular air force personnel will get with points one replacement set of sky-blue uniforms. The planning for the replacement of the uniforms began 2 years ago. The entire operation does not involve a waste of money for the air force. The uniforms will be acquired through the allocation of the points for each regular air force person. Were we to compromise today on the exchange, we would be forced to pay for all the exchanges which have already been prepared.

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CSO: 4323/19

VARIOUS MINING, WATER PROJECTS IN NATION REVIEWED

Amman AL-DUSTUR in Arabic 31 May, 1, 8, 23 Jun 81

/Article by Ahmad Shakir and Ziyad Farhan: "Domestic Income To Increase from 90 to 200 Million Dinars through the Industrial Sector"/

/31 May 81 p 5/

/Text/ Development plans in the industrial sector will help raise domestic income from 90 million dinars at the end of last year to 200 million dinars by the end of the 5-year plan in 1985.

Among the most prominent goals of the plan is to create a suitable and encouraging investment climate to attract investors to put money into establishing modern industrial projects or to take part in existing ones, as well as to introduce industrial technology which is compatible with Jordan by developing and building food and export industries and industries with a high level of technology which do not depend on manpower so much as on capital and machinery and by bringing about a higher degree of integration and interconnection among domestic industries within the industry and mining sector itself and between this and other sectors of the economy, such as agriculture, construction and transportation.

The plan also aims to continue performing geological studies on local ores in order to evaluate the feasibility of exploiting them, as well as intensifying efforts to explore for oil and alternate forms of energy in various areas of the country; realizing greater Arab industrial coordination in cooperation with other Arab countries; attaining a better geographical distribution in locations of new industries and provision of basic facilities for these locations; and combining existing industries and professions in industrial towns and areas distributed among various areas of the kingdom. The proposed organizational procedures of the 5-year plan for the industry and mining sector contain a series of points:

Studying, planning and constructing industrial towns in the kingdom instead of constructing numerous factories within population centers, enticing existing and new industries to situate themselves in these industrial towns while concentrating on the town and industrial zone projects included in the regional plans which are being approved.

Encouraging Jordanian industrial exports, particularly by exempting some of their profits derived from export from the taxes and levies in effect.

Offering aid of 100,000 dinars per year to the Professionals' Fund of the Industrial Development Bank over the coming 5-year period, extending the loan granted to the Development Bank for that purpose from the Central Bank without interest for 1983 and raising the maximum value of loans granted to professionals from 4,000 to 5,000 dinars.

Pursuing a system for regulating banking complexes which is aimed at mobilizing local financial sources to help support industrial development in Jordan.

Setting forth a program to guarantee the guidance of imports by reducing imports and increasing willingness to buy local products for consumption and industrial purposes.

Setting forth the necessary legislation to amend instructions on granting permits for and overseeing industry, in order to keep abreast of changes which have occurred in recent years.

Setting forth the necessary legislation to organize the commercial register, so that registration will be compulsory for all local factories.

Continuing to study customs tariffs to make them more encouraging in terms of the establishment of local industry and reviewing exemptions for primary and raw materials required for industry.

Establishing a center for information of interest to industry.

Reviewing laws on concessions for local companies with the goal of developing and amending them to keep up with economic developments.

Increasing the annual rate of issuance of standard specifications and the application of standards, intensifying surveillance over the application of standards, establishing quality control centers in major plants and centers to train people working in these plants, and completing the outfitting of the necessary laboratories and accelerating application of the system of quality seals and establishment of a special staff of technicians to work in laboratories.

Devoting attention to unifying standards and introducing them as courses of instruction in preparatory, secondary, intermediate university and university educational levels.

Amending Investment Encouragement Law 53 for 1972 to contain more exemptions, facilities and incentives than it and the amendments already made to it do, at present, especially as regards development projects established in less developed areas and projects using advanced technology or aimed at exports or the provision of necessary commodities, especially foodstuffs.

Issuing investment brochures which will contain preliminary studies of specific industries, dealing with the economic, technical and marketing features of these industries, so that they may be placed at the disposal of investors to make use of them in investing their funds.

Encouraging the use of industrial accounting systems in approved economic projects and creating a section to follow up on and closely investigate the execution of this law and projects benefiting from the Investment Encouragement Law.

Authorizing qualified consulting firms to make economic feasibility studies of all new industrial projects in which investment is greater than 25,000 dinars, as an essential basis for giving Ministry of Industry permits to these industries.

Conducting an industrial survey aimed at setting forth a list of intermediate commodities to be produced to respond to the requirements of the local market and markets in adjacent Arab countries, as well as raw materials used in industry which may be replaced by local raw materials.

Concluding the necessary agreements with other countries to prevent double taxation with them.

#### Future Projects

Herewith is a list of some projects which it is proposed to carry out in the years 1981-85:

Projects under construction: There are a number of projects on which certain measures have been adopted that are necessary if they are to be completed during the 1981-86 5-year plan; it is expected that construction on these projects will continue in the coming plan.

Among the most important of these projects are:

The southern cement plant: This is to be built in the al-Rashidiyah area near al-Tufaylah and will have a productive capacity of 1 million tons per year; investment in this plant is estimated at 50 million dinars and the value of annual output is estimated at 25 million dinars. It will create an estimated 1,200 job opportunities.

The al-Abyad cement plant: It is intended to build this in the al-Dalil area, in view of the fact that suitable raw materials are present there in adequate volumes and good quality. This project will be carried out in participation with the fraternal nation of Syria, through the Syrian-Jordanian Company, the productive capacity of the plant will total 100,000 tons per year, and the necessary investments are estimated at about 18 million dinars. Annual production is valued at 4.5 million dinars.

The lumber complex project: It is intended to build this in al-'Aqabah in cooperation with a Malaysian company which has the raw materials the project needs. Its costs are estimated at about 10 million dinars, broken down among the years of the plan, as shown below, and its productive capacity is estimated at about 142,000 cubic meters. It is anticipated that construction on it will begin in 1981 after the investors finish preparing the designs and bid documents related to it.

The industrial city project in Sahab: To provide the land which has been set aside, prepared for the construction of factories and supplied with all the services needed for industry, it has been decided to set up an industrial city in Sahab. The



land area appropriated for this purpose is 2,530 donums, all preliminary study work and designs related to the first stage of the project have been completed, and the cost of it as of the end of 1980, came to about 225,000 dinars. The award for grading the site and constructing the retaining wall for the first stage of 750 donums has been assigned and it is expected that that will be completed by the end of March 1981 /sic/. It is expected that execution of the general bid, which accounts for the next stage of construction (consisting of the construction of plants, the administrative complex and all services) will be completed in the month of April 1981. About 30 model plants will be constructed in the first part of this stage. It will be possible to increase this to 60 or 108 plants and it is expected that the costs of this first stage of the project, which will be completed in 1984 and comprises the development of an area of 750 donums of land, the linkup of services, construction of the administrative area and the construction of buildings for 96 model factories, will come to 17.03 million Jordanian dinars.

#### New Projects

The industrial city project in Irbid: The northern region in particular, and the town of Irbid in particular, suffer from the fact that industries are situated in their center. They also suffer from the fact that inhabitants are migrating from these regions to more developed ones, such as the Amman regional area. To cope with these problems and to accelerate industrial development of the northern region, it is necessary to establish an industrial city in the town of Irbid. This will lie northeast of the town, on an area of 26.6 hectares. It is anticipated that this project will create about 2,000 job opportunities and its costs are estimated at 3.8 million dinars.

/1 Jun 81 p 77

/Text/ Yesterday AL-DUSTUR published news of some of the industrial projects which are to be built during the next 5-year plan.

Herewith is the remainder of these projects. They include projects to explore for oil and natural gas, copper and phosphate.

#### Second Stage of the Project To Explore for Oil and Natural Gas

In the first 5-year plan, the first stage of this project, which was aimed at evaluating old information bearing on oil exploration in Jordan and at reoutfitting and stabilizing tapes on the seismic surveys previously carried out in the al-Azraq and al-Sirhan areas, as well as covering these two areas and the al-Rishah areas with additional aerial reconnaissance, geochemical, magnetic and seismic surveys, preparatory to entering into detailed exploration and deep drilling stages in these areas, was completed. All these activities were financed by the treasury.

Alongside this activity, a foreign company conducted some geological and geophysical studies in the northwestern area of the east bank, as a result of which an exploratory well was drilled to a depth of 2,754 meters close to the permanent site of al-Yarmuk University. It was dry.



In light of the results obtained following completion of the first phase of the project, which ended with the end of the first 5-year plan, the territories of the kingdom where it is hoped oil will be discovered were divided into four zones and the necessary allocations were set aside to continue the search for oil in Jordan.

#### **The Oil Shale Study Project**

There are large quantities of oil shale in Jordan containing a good percentage of hydrocarbons and organic materials which can be refined or used by the direct retorting of rock to generate electric power after it is crushed.

These rocks are situated in the northern, northeastern and central sections of the territory of the kingdom. The authorities have finished making a detailed geological study of the oil rocks present in the al-Lajun area, where the existence of close to 1.3 billion tons of good quality has been established at a depth very close to the surface of the earth, in a manner that will allow it to be strip-mined.

In order to determine the technical and economic feasibility of these rocks, a list has been made of tenders from a number of companies so that agreement may be reached with one of them to carry out the following economic feasibility studies and industrial experiments:

The performance of industrial experiments on representative samples of the al-Lajun rocks to determine how fit they are for retorting on the one hand, or for direct retorting, preparatory to the performance of an engineering and economic study on the manner by which these rocks will be produced.

Selection of the best technical methods by which it will be possible to exploit the oil shale.

Performance of a preparatory economic feasibility study of the project.

Continued detailed economic and technical feasibility study of the project in order to proceed with it and carry it out, in the event encouraging conclusions are obtained by the preparatory study.

In addition to the study the consulting firms will carry out, the authorities will, through the medium of their special agency, conduct geological studies of and detailed drilling into the oil shale existing in the region which extends from al-Qatranah to al-Husayniyah in order to determine the volumes and quality of the reserves in this area so they can constitute a backup for the proved reserves in the al-Lajun area. The costs of the consulting services and exploration activities have been estimated at about 1.5 million dinars.

#### **The Project To Explore for Geothermal Energy Sources (Phase Two)**

Phase one of the project was completed during the first 5-year plan, with the cooperation of the United Nations development program. This consisted of a geological, geophysical and hydrochemical survey of the Zarqa' Ma'in and al-Zara areas. Studies were made on the conclusions of these studies, from which it became apparent that it would be necessary to drill some stratigraphic wells before issuing a final verdict on the feasibility of the area.

The project which it is intended to carry out during phase two consists of the drilling of four test wells in the Zarqa' Ma'in and al-Zara areas, at depths ranging from 100 to 300 meters, and the performance of geophysical and geothermal studies on the wells, in addition to a study of rock and water samples extracted from the wells.

In the light of the conclusions of these programs, it will be possible to discuss whether or not to proceed with the execution of the third stage of the project (the retorting phase).

Costs of Phase two are estimated at about 400,000 dinars.

#### The Copper Project

This project had previously been in the first 5-year plan, 1976-1980, but was not carried out, because of the severe drop that copper prices faced on the world market; this made the project unfeasible from the economic standpoint during this period.

In view of the perceptible improvement in copper prices which is occurring at present and in view of the results of the studies the Seltrust consulting firm made at the authority's expense, which were completed in early 1980, it has been recommended that a 3,000-ton-year pilot copper mill be erected. Its production will be based on the ore which it has been proved can be mined by the strip mining system and is estimated at about 5 million tons, on condition that establishment of the project be preceded by erection of a test plant with a capacity of 25 tons of ore per day and that a detailed economic and technical feasibility study be made of the project to select the most appropriate means for separating and extracting the copper from its ore.

The costs of erecting the project, in 1980 prices, are estimated at about 8 million dinars, including the costs of the test plant and the technical and economic feasibility study of the project, provided that it is supplied with electricity from the general high voltage line and that it is guaranteed sulphuric acid from the phosphatic fertilizer plant in al-'Aqabah as well as all necessary infrastructure requirements such as roads and housing.

#### Expansion of Phosphate Production

The project may be summarized as the extraction of phosphate from the phosphatic clay produced at a rate of 300,000 tons per year by the upgrading equipment as well as the extraction of phosphate at a rate of 100,000 tons per year from the tailings produced by the crushers. The increased output is estimated at 400,000 tons of phosphate per year and the value of the required investments in 1980 prices is estimated at 3,652,000 dinars.

#### The al-Wadi al-Abyad Mine

The project may be summarized as:

The construction of a new washed phosphate production line with a capacity of half a million tons a year and the opening of a new mine to produce the phosphate required to operate it.

The extraction of phosphate at a rate of 200,000 tons a year from phosphatic clay produced by the upgrading equipment.

The extraction of phosphate at a rate of 50,000 tons per year from the tailings produced by crushers. The value of the investments required for the Wadi al-Abyad project is estimated at about 3,261,000 dinars, distributed among the years of the plan.

#### Other Phosphate Support Projects

In order for the company to be able to continue its current and proposed phosphate production projects, it will require the performance of the following support projects which will serve production operations in the various mines:

The purchase of three drilling rigs to accelerate exploration activities between al-Hasa and al-Qatranah and increase the phosphate reserves around the two areas of al-Hasa and al-Wadi al-Abyad so that these may be adequate for a period of no less than 25 years.

The construction of depots to store aluminum and explosives at the al-Rusayfah and al-Hasa mines, to meet the needs of the company and current contractors.

Expansion of the residential town at al-Hasa and the construction of new housing units for married people to attract good technicians and keep present ones, in addition to expansion of housing units at al-'Aqabah and completion of the out-fitting of the main administration building in Amman.

Construction of a 2.5-kilometer pipeline to transport and pump phosphate from the crusher site at Ore Nine to the site of the phosphate washing units. The value of the investments required for these support projects is estimated at 13,846,000 dinars.

/8 Jun 81 p 4/

/Text/ The industrial sector's development plans will contribute effectively in increasing national income from 90 million dinars at the end of last year to 200 million dinars at the end of the 5-year plan.

Among the plan's objectives is the continued performance of geological studies on local ores to determine their economic feasibility. Among the new projects and programs are:

#### The General Geological Survey of the Kingdom

Regional geological maps of Jordan were prepared at various scales, including one to 1 million, one to 750,000, one to 500,000, one to 250,000 and one to 100,000, in the period 1960-1980, and a survey was made of small areas of the kingdom for specific objectives at scales of one to 50,000 and one to 25,000. In spite of their abundance, the regional geological maps were all general in format and one of them could be relied upon as background for specific specialized studies or planning activities in developing such specific economic sectors as water, for example, mining, industrial stones or the like. In order to fill the gap and respond to specialized, sectoral requirements, it has been necessary to venture upon a purposeful specific geological, strategic and mineralogical survey of the entire

territory of the kingdom at a scale of one to 50,000 which will be oriented toward development and economic and industrial planning purposes. The execution of this project will result in the preparation of an atlas of maps for all the base plates of the kingdom at a scale of one to 50,000, which will be 150 in number. As an example, but not exclusively, the atlas will represent the following coverage on a topographic base plate, with a plate at the same scale: general geological, structural, seismic, gravimetric, magnetic, mineralogical, hydrogeological, geochemical and others, along with an explanatory text.

If all requirements are made available to this project, it will take close to 10 years' time to carry it out. During the period of the plan, 1981-85, it will cost about 750,000 dinars.

#### The Project To Establish a New Phosphate Mine and Mill in the al-Zarqa'B Area

The project may be summarized as the opening of a new mine to produce the phosphate ore required by the new plant in the al-Zarqa'B area, which consists of a crusher, phosphate-treating equipment, a phosphate washing unit, a cooker, water and electricity supply and so forth. It will be built in two stages, the first of which will produce ordinary unwashed phosphate, the second washed phosphate. The total productive capacity of the two stages will be 800,000 tons a year and the investments required are estimated at 5.62 million dinars in 1980 prices.

#### The al-Shayidiyah Phosphate Project

The goal of the project is to open a new mine and the requisite plants for it in the al-Shayidiyah area so that production may commence in late 1986 at a productive capacity of half a million tons; this will gradually increase to about 3 million tons a year in 1990 and 10 million tons a year before the end of this century. The project will consist of mining machinery, phosphate treatment equipment, coarse sifting and crushing machinery, phosphate washing units and phosphate drying, treatment and storage equipment, along with the construction of a complete residential city, inner roads, water, electricity and other services. The investments required are estimated at 57,730 dinars, above and beyond those needed to provide the necessary means of transport from the mine to al-'Aqabah, storage depots, equipment for ships and other diverse services. Total investments will come to about 52 million dinars.

#### The Bromide and Bromide Products Project

The American Great Lakes Corporation has made a final economic feasibility study on the production of bromide and bromide products from Dead Sea waters. It is expected that a decision to start construction of the project will be taken in 1981.

Production will be about 3,000 tons of bromide and bromide products per year; therefore, quantities of chlorine and caustic soda will be produced. Costs of the project will come to 15 million dinars, broken down into 8.25 million dinars in capital and 6.75 million dinars in foreign loans.

#### Magnesium and Porcelain Clay

The Austrian firm Rottner has finished carrying out a study on the extraction of magnesium oxide from the Dead Sea. This study deals with the production of porcelain clay.



Production will total 10,000 tons of magnesium oxide and 50,000 tons of porcelain clay.

Costs of the project will total 50 million dinars, 20 million dinars of which will be capital and 30 million dinars in foreign loans.

#### The Animal Fodder Project

In the course of producing magnesium oxide, hydrochloric acid will be obtained as a byproduct; this acid will be used to produce animal fodder.

Costs of this project will total 5 million dinars, broken down into 2 million dinars in capital and 3 million dinars in loans.

#### The Potassium Sulphate Project

The company is now making a study on the production of potassium sulphate. The costs of this project will come to about 11 million dinars, broken down into 6 million dinars in capital and 5 million dinars in loans.

#### The Pure Table Salt Project

The Potash Company will benefit from the increased demand for rise in prices of potash by doubling its output. Costs will come to 71.5 million dinars, of which:

39 million dinars will be in capital  
32.5 million dinars will be in loans.

#### The Feldspar Project

The project aims at extracting feldspar of both types, sodium and potassium, from its granitic ores, which are present in the al-'Aqabah area. Anticipated productive capacity of the project will come to about 20,000 tons a year. In addition, the anticipated project costs will be about 1.5 million dinars.

These costs will include performance of the necessary economic feasibility studies, performance of designs and construction of the plant.

Fifty percent of the costs will be financed by company sources; the remainder will be financed by public subscriptions and loans.

/23 Jun 81 p 7/

/Text/ The Potable Water Organization's 5-year plan includes efforts to determine the resources and sites of water sources, classification of these sources and the economic use of water sources to cover various requirements within the context of a comprehensive plan, as well as transmission of the water to population concentrations and mining and industry projects which have not yet been supplied with water.

This will be done by drilling additional wells, improving and expanding water production methods and saving capital and operating expenditures on water supply projects by improving management competence, improving the quality of construction and maintenance and creating less costly alternative energy sources in special cases.



The plan also stipulates that studies and laboratory analyses are to be made on water sources which might be used for household purposes in order to protect basins where water sources are located, in addition to a study on the technical and economic feasibility of increasing water sources by bringing water from outside Jordan or desalinating seawater.

In addition, construction designs and bid documents will be drawn up for public sewer projects in Ma'dabba, al-Rusayfah, Wadi al-Sir, Suwaylih, al-Mafraq and al-Ramtha.

Studies and designs will also be prepared for sewer projects in al-Zarqa', Irbid and al-'Aqabah, with consideration given to methods for processing water in a fashion facilitating its use in agricultural and other activities.

Among the organizational measures which will achieve these goals are the codification of a comprehensive national water plan, including the formulation of a fiscal budget based on resources and needs and the evolution of these resources and needs, the establishment of a higher water council whose task will be to provide coordination among various sectors and bodies using water for their purposes, and the codification of a policy for distributing the water balance in Jordan in a fashion which will guarantee that various water sources are properly used in the framework of needs and priorities.

The organizational measures also stipulate that a review is to be made of statutes and instructions bearing on groundwater and groundwater replenishment and use surveillance in a manner guaranteeing the regulation and control of this process in order to maintain and develop this important course and complete hydrological studies covering areas which have not been studied or on which studies have not yet been completed.

Costs of the organization's projects in the plan years are estimated at about 27.25 million dinars, including 5,935,000 dinars for projects in the Governorate of Irbid, 8,608,000 dinars for projects in the central area, 2.69 million dinars for projects in the al-Karak Governorate, 1,175,000 dinars for projects in Ma'an Governorate, and 6,557,000 dinars for al-'Aqabah region projects.

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CSO: 4304/51

## PAPER CRITICIZES U.S. PEACE PLANS

GF161203 Kuwait AL-QABAS in Arabic 12 Aug 81 p 1

[Editorial: "God Is With the Patient"]

[Text] Every now and then, and with the election of every new U.S. President, talks on Middle East settlement projects increase in the United States. Each president sends delegations to the region to uncover "secrets" and to listen "sincerely" to the views of the region's leaders. The U.S. President, sitting in his rocking chair in the White House, awaits visits from Arab leaders and Israeli friends, who will "entertain him." They discuss "the region's vital importance" with respect to U.S. and Western interests and Israel's security which, as Washington claims, is the basis of the "Free World's" security. Washington's "peace projects" have not changed since the beginning of the Arab-Israeli conflict and the president's concern over the Middle East.

Between what Washington calls "initiatives," various U.S. administrations leak news about U.S. attitudes and proposals. The U.S. President assumes "dramatic" attitudes toward Israel, as in the case of the F-16 jet fighters. Along with such actions, which U.S. propaganda describes as punishment for Israel, the U.S. President "bestows" some economic aid upon allied countries in the region after having tested them in operations that will eventually serve U.S. interests.

Yesterday, President Reagan renewed restrictions on delivering more F-16's to Israel. In exchange, he promised to arm President al-Sadat's government with these jet fighters for the next 5 years as a reward for its commitment to U.S. policy and its "good intentions" toward Israel.

Reagan's United States lost nothing in the arms deal with Egypt. Rather, it gained a written pledge from President al-Sadat during his recent visit. He pledged to give the U.S. a piece of Arab land to use in its military strategy in the Middle East and Gulf region.

All signs so far indicate that the Reagan Administration will not reach a Middle East settlement unless all Arabs consent to the Israeli peace plan. It also appears that the Reagan Administration will lift restrictions on selling planes to Israel in due time.

There are indications that a Republican United States during the Reagan Administration will not be any better than former Republican or Democratic administrations as far as the Arabs and the Arab cause are concerned. As usual, the United States will not be fair in its dealings with the Palestinians or even acknowledge the fairness of the Palestinian cause if U.S. interests in the Middle East are not affected. U.S. interests throughout the world are great and many, and so are the Arabs! Nevertheless, who among the Arabs will step forward in the confrontation with the United States? Let us wait--God is with the patient.

CSO: 4304/119

FOLLOW-UP COMMITTEE DEALS WITH SITUATION IN ZAHLAH

Paris AL-NAHAR AL-'ARABI WA AL-DUWALI in Arabic No 218, 6-12 Jul 81 pp 12-14

[Article by R. Sh.: "Zahlah Conquers Beirut"]

[Text] The Solution Arose Out of the Conditions, Counter-conditions, and Guarantees.

The Solution Is Being Achieved Because the Follow-Up Committee Has Adopted Lebanon's [Working] Paper and Damascus Has Responded Favorably.

The entry of internal security forces into Zahlah last Tuesday represented the basic turning point in the course of the crisis which has been raging since last 1 April in Lebanon generally and in Zahlah in particular. This step is important because of its timing. It was carried out a few days before the date set for holding the third session of the Arab Follow-Up Committee, chaired by President Elias Sarkis, in Bayt al-Din for the purpose of searching for solutions to the Lebanese issue.

The entry of 500 internal security troops into the city, and their taking over of the international route and some of the other vital locations, will pave the way for breaking the siege of Zahlah. In spite of the fact that some difficulties have emerged with regard to carrying out these steps, political contacts will be enough to overcome them because most important is that the steps be carried out, even though to a relatively incomplete degree.

The fact is that settling the Zahlah issue was not something that was easily achieved. The difficulties which confronted the solving of this issue made those responsible for doing so consider success in solving this problem to be a positive indication which would perhaps leave its imprint on the overall security situation in this country. This is especially true since local, Arab, regional, and international developments have contributed, to a large degree, toward making the impossible possible. There is no doubt that dealing with the crisis in Zahlah brings one into direct contact with the question of the Syrian missiles which were introduced into the Biqa' Valley because of the war fought over the city and after Israel had shot down two Syrian helicopters near the hills which surround the capital city of al-Biqa'. The Zahlah crisis was the most important of the issues which the American envoy, Mr Philip Habib, brought up during his shuttle trips

between Beirut, Damascus, Riyadh, and Tel Aviv. For this reason, a number of observers in Beirut considered success in solving the Zahlah question to have been still another success achieved by Philip Habib's mission after the success which he achieved concerning the missile crisis--which Tel Aviv is still exploding daily as it did previously.

The settlement also means success for the role of the Arabs in dealing with the Lebanese crisis, and this is particularly true with regard to the role of the Saudis who returned to the Lebanese arena after a forced absence which events had forced upon them during the last 2 years. When dealing with the Zahlah issue, Saudi Arabia played a very effective role in quickly bringing about a solution which would satisfy the Lebanese official authorities who were working hard to end the city's tragedy after it had been going on for so long. With this purpose in mind, Saudi Arabia, with the approval of Damascus, set up a plan for deployment of security troops in the city after it had become apparent that deployment of the army, which was what the [Lebanese] government had hoped to do, appeared to be difficult at the present stage. The Arabs in the Follow-Up Committee, especially the Saudis and Kuwaitis, became convinced that the correct Lebanese solution was one which had the approval of Damascus. They then worked toward achieving this by consecutively contacting the interested parties, that is, Syria, the Phalangists, and Shaykh Bashir al-Jumayyil, commander of the "Lebanese Forces."

If we take for granted international backing, especially the backing which America has given Saudi Arabia in its efforts to solve the Zahlah crisis, then it becomes clear what role has been played by large nations such as France and America, in addition to the countries of the European Common Market, in overcoming some of the obstacles and in putting pressure on the interested parties, both directly and indirectly, in order that the Zahlah crisis experience a happy ending.

At this point we should stress the importance of the role played by the Vatican through the contacts made by Pope John Paul II and by the offices of the Apostolic See with nations which are friendly to the Papal State, at the forefront of which are the U.S. and France. Mention should also be made of the fundamental role played by the archbishop of New York, Cardinal Terrence Cook, who called upon President Ronald Reagan to work toward the achievement of a solution of the Zahlah crisis. He promised him that he would do the best he could, in view of the widespread influence which Cardinal Cook has in the U.S.

All of these efforts--local, Arab, and international efforts--became woven together in order to create an appropriate solution, suitable plans were made, and then the various roles to be played by the parties involved in creating the solution were distributed well and successfully.

Although the beginning of the end of the Zahlah tragedy has clearly emerged recently, negotiations, which have been carried on on more than one level, have concentrated on the necessity of removing the problems--and how many of them there are--which have been emerging from time to time and representing an obstruction to the solution. Dreams [of a solution] would be destroyed and the shelling would start up again, then things would get better and there would be less shelling.



At this point it would be well to mention the stages passed through by efforts to deal with the Zahlah crisis since the suggestion was made, about a month ago, to deploy the security forces. This plan was countered by conditions, the most important of which was that which stipulated that armed Phalangists from outside Zahlah should leave the city and should hand over the international route to the Deterrent Forces. At that time, it proved impossible to arrive at a solution, shelling of the city started up again, and the various areas of the city went through a terrifying period. After the latest meeting in Bayt al-Din, the suggestion was made once again, using the first solution as a basis, and then the conditions emerged again and efforts were made to overcome the problems. Initially the most important obstacles to carrying out the plan were [the inability to achieve] an agreement concerning how the armed Phalangists—who turned out not to number more than 95 young people--were to leave the city and the fate of the heavy weapons in the city--since Damascus refused to allow these weapons to remain in the hands of any Zahlah group for fear that this would cause hostilities to break out again.

The "Lebanese Forces," in turn, set their conditions, the most important of which was that armed outsiders, who had stationed themselves around Zahlah, had to leave the area. This especially referred to those who had joined the ranks of the "Arab Army of Lebanon" and some of the parties of the "Lebanese Front." They demanded guarantees which would assure that the city would not be shelled or that the people of the city would not be attacked if the Phalangist "outsiders" left it.

The conditions and counterconditions were discussed at length, and they were debated between the negotiators--the most prominent of whom were the Saudi ambassador, Lt Gen 'Ali al-Sha'ir, and the minister from Zahlah, Ilyas al-Hirawi--and the parties concerned. Concerning the matter of the guarantees, it was finally decided that the bishops of the city should commit themselves to supervise the new agreement and to make sure that it is not violated, and it was decided that Saudi Arabia and the Arab Follow-Up Committee would guarantee that the Syrian forces would not violate the agreement.

Informed sources say that Shaykh Bashir al-Jumayyil informed the bishops and ministers of the city that he was prepared to order the Phalangists who were not from Zahlah to "immediately leave the city, on the condition that they be the ones who commit themselves to history and to the people of Zahlah to bear responsibility for any violation of the agreement and promises. The bishops and ministers then made contacts [with those concerned] and then came back with the guarantees demanded and conveyed them to Shaykh Bashir [al-Jumayyil] and to the government leaders. The fact is that it took time and entailed other "costs" to obtain these guarantees which were presented by Saudi Arabia in coordination with Kuwait and with the knowledge of the Lebanese authorities. Consecutive meetings for this purpose were held in both Damascus and Beirut.

#### The Solution

What emerged was the solution which it was decided to use in order to deal with the crisis. The solution stipulates the following:

1. Entry of the internal security forces into Zahlah, handing over of the international route, and opening up the other roads to the people of Zahlah.
2. Withdrawal of all non-Phalangist armed personnel from the city by means of utilizing two buses, with these people being accompanied by Minister al-Hirawi, the chief of the intelligence apparatus in the Syrian Deterrent Forces, Col Muhammad Ghanim, and one of the bishops of the city. (The withdrawal has actually already taken place.)
3. Collection of all the heavy weapons in the headquarters of the Greek Catholic archbishop in Zahlah.
4. Lifting of the military siege of Zahlah, allowing supplies to reach the city, and opening up the city to all the people of the region.
5. Replacement of the type of Syrian troops who are stationed in the hills surrounding the city. What this means is withdrawing the special troops and replacing them with other Syrian regular troops in order to pave the way for handing over some of these hills to the security forces at a future date. However, the Syrians are to retain observation posts there. These hills are of strategic importance since they overlook the mountainous areas in Kasrawan and al-Matn, and they also play a strategic role in terms of serving as a spot from which to observe movements taking place outside of Lebanon. The implementation of this clause of the agreement was delayed because of problems which emerged at the last moment. It is feared that if these problems are not dealt with, then there is the possibility that the situation will deteriorate. But since these clauses began to be implemented last Tuesday morning, this has reassured those responsible that the first stage of the agreement will be successful. However, one should bear in mind that a settlement of the Zahlah situation will remain apart from the solution required for the overall Lebanese situation both on the political level and in terms of security. However, this is an indication of the readiness of the parties concerned to be responsive concerning all of the issues which will be discussed in Bayt al-Din. In particular, the success of the step taken in Zahlah will have a positive influence on the third meeting of the Follow-Up Committee.

#### The Beginning of [Lebanon's] Salvation?

Does the success attained concerning the settlement of the Zahlah situation mean the beginning of [Lebanon's] salvation?

It is still premature to answer "yes" to this question. This is because the particular situation with regard to the Zahlah question, from the human, military, and political points of view, demanded that a separate solution for this problem quickly be found--although this solution cost the city more than 500 dead, thousands of wounded, and material losses amounting to more than 7 billion Lebanese pounds as a result of the destruction of Zahlah's factories, establishments, and vital utilities. Added to this there was the international clamor which accompanied the events concerning this city, the intervention of the great powers, and the emergence of the missile crisis and the threat of this crisis to cause the outbreak of a large-scale war--a crisis which caused everybody to move to try to avoid such a

war, especially the U.S. This international clamor contributed toward the creation of solutions, albeit temporary solutions; we must all await comprehensive solutions for the Lebanese crisis which appears to be more and more linked to the crisis which afflicts the region as a whole.

Dealing with the Zahlah situation, even if done only partially, has closed the curtain on one of the most painful chapters of the Lebanese war. It has also opened up the door to gradual solutions for security crises, whether in Beirut or in other turbulent areas. It is expected that the Arab Follow-Up Committee, at its next meeting, will study such solutions--using as a basis the Lebanese working paper which was adopted at the meeting in Jiddah and which gives priority to particular security-related solutions which will provide a quiet atmosphere appropriate for discussing the political solutions which, it is hoped, will lead to the achievement of an accord.

It would be an exaggeration to suppose that dealing with the Zahlah crisis will be followed by comprehensive dealing with the other crises. The reason for this is that some of these crises are apparently very difficult to solve, especially if the solutions designed for them involve a role for the Lebanese army at this present stage because this army is still greeted with reservations by many parties and this prevents it from assuming its security duties. For this reason, the [Lebanese] government hopes that the settlement of the Zahlah situation will be a forerunner for partial security solutions which will have the approval of Damascus and which, in the short run, will have the objective of opening up transit points in Beirut and creating an atmosphere conducive to implementing a cease-fire, and this would pave the way for the proposal of political solutions. This is the essence of the work of the Follow-Up Committee. If it succeeds in this, it will have carried out, to a relative degree, the mission which was entrusted to it. This is because the Lebanese people have come to hope for even a minimum of real peace and quiet and no longer listen to promises concerning comprehensive steps to be taken because they know full well, just as the Arab countries and the other countries of the world know, that the time for this has not yet come.

If it is necessary to have an official assessment of the Zahlah operation, then the person who has summed it up best has been President Sarkis. After he received a report from Maj Gen Ahmad al-Hajj, of the General Staff, who is the commander-in-chief of the internal security forces, concerning the entry of the police [into Zahlah] and the exit of non-Zahlah armed personnel [from Zahlah], he said: "This action confirms the existence of legitimacy and the fact that legitimacy is able to play its role. It is also a confirmation of the good intentions and the success of the Follow-Up Committee which will be achieved in the future if its decisions are carried out."

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MOROCCAN 1981 BUDGET OUTLINED

Casablanca LA VIE ECONOMIQUE in French 19 Jun 81 pp 8, 9, 16

[Text] Following is the statement of Minister of Finance Reghai on the budget bill voted for 1981.

The development recorded by the economic and financial indexes indicates that the policy of financial and economic recovery followed during the 3-year plan (1978-80) made it possible to achieve positive results, both in terms of the recovery of internal and external equilibrium as well as in terms of economic development. This result is of such nature as to encourage us to begin a new stage of economic and social development, in the course of which a rate of growth will be achieved which responds to our desire to satisfy the needs of our citizens and to ensure the improvement of our productive apparatus.

Thus, on the basis of these considerations, financial policy for 1981 has been determined, setting out the essential priorities in the next economic and social development plan, which is in the last stages of preparation. In any case, the last word will evidently depend on the definitive choices which will be made by the next 5-year plan. In the light of these choices, and if the need should arise, an amended draft budget law, bringing the necessary changes, will be submitted to the National Assembly at an appropriate time.

This financial policy clearly reflects the determination of His Majesty's government to pursue the course of economic and social development and to provide the means to permit resolution of the fundamental problems of our national economy. This is a matter, in particular, of reducing social disparities, of fighting against unemployment, of promoting the creation of jobs, and of improving the living level of the majority of citizens.

Clearly, this presupposes the strengthening of the policy of production and the grant of a major place in the strategy of economic growth to the development of productive capacity, since this is the only way likely to guarantee the independence of our economy and balance in our financial situation.

Achievement of these objectives rests on the efforts which will be made at the same time by the public and private sectors. For its part the state has not ceased playing its role as the motive force of the economy, through the development of infrastructure equipment and the establishment of financial structures worthy of a modern country and by the extension of the necessary encouragement to private investment.



No doubt, the private sector will know how to live up to the level of the hopes based on it in an economic system characterized by liberalism and individual initiative and will provide further proof of dynamism and increased activity in order to draw more profit from the important encouragement provided it and thus contribute to putting to use the enormous potential of our national economy.

The government will spare no effort leading to the consolidation and broadening of our economic foundations, without neglecting the strengthening of the fundamental economic balance considered to be a necessary precondition for any healthy and harmonious recovery program.

In this regard I would like to mention the agreement which I concluded recently with the International Monetary Fund, by virtue of which this institution agreed to grant us substantial assistance in the framework of the "broadened facility" and the "complementary facility." At the same time negotiations are presently under way with a view to obtaining a loan from the new facilities of the World Bank under the program called "Structural Adjustments Program."

No doubt these various forms of help will assist you in undertaking the projects necessary to achieve the fundamental objectives which we are pursuing and which consist of the defense of our territorial integrity, the correction of the imbalances still affecting our economy, and the guarantee of a rate of growth suitable to our ambitions.

Those are the objectives which we have sought in the past and which we were seeking to achieve by mobilizing our means and our potential. This tendency appears in the budget law for 1981 in its 2 main aspects: the operating budget and the investment budget.

The Major Feature of the Budget  
(Figures in Millions of DH--Moroccan Dirhams)

I - General State Budget

	<u>1979</u>	<u>1980</u>	<u>1981</u>
Receipts	19,564.3	21,666.2	25,698
Expenditures	21,558.1	23,562.5	28,174.2
Of which:			
Operating Expenditures	10,622.2	12,634.5	15,356.6
Investment Expenditures	8,735.9	8,428	9,996.6
Debt	2,200	2,500	2,820.9



<u>II - Budget Annexes</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>
Receipts	1,104.6	1,153.9	1,220.5
Expenditures	1,104.6	1,153.9	1,220.5
<u>III - Special Treasury Accounts</u>			
Receipts	3,411.8	4,167.8	4,920.7
Expenditures	3,817.7	5,037.7	5,383.7
<u>IV - Total</u>			
Receipts	24,110.3	26,987.9	31,839
Expenditures	26,480.4	29,754.1	34,778.4
Excess of Expenditures	2,369.6	2,766.2	2,939.4
<u>Investment Expenditures</u>			
Ministry of Finance	3,130.9	2,599.1	1,367.3
Ministry of Equipment and National Development	1,145.7	1,678.9	2,505
Ministry of Agriculture and Agrarian Reform	943.5	777.2	1,503
Ministry of National Education and Cadre Training	796	526	842.7
Ministry of Energy and Mining Research	326	240.2	373.1
Ministry of Transportation	261	391.7	500
Ministry of Housing and Territorial Management	132.6	124.6	205.4
Ministry of Health	119.2	129.3	710
Ministry of Justice	61.2	28.5	43.3
Ministry of Information	57	33.2	243.2
Ministry of the Interior	45.3	59.3	81.2
Ministry of Tourism	45	26.2	15.2
Planning and Regional Development	38.4	31.6	20.2

### Payment and Obligational Credits

Obligation Credits, 1980	8,428	(Millions of Dirhams)
" " , 1981	8,732.8	" "
" " , 1982	14,003.9	" "

### Financing the State Budget

	1979	
Equipment Expenditures	-9,016	-7,843
Special Accounts - Budget Annexes	+1,018	+1,099
Balance from the Ordinary Budget	+ 802	-1,075
Treasury Deficit	-7,196	-7,828
Financing Arrangements:		
Domestic Loans	1,190	1,555
Foreign Assistance	4,795	5,666
Treasury Resources	1,211	607
(Of Which from the Bank of Morocco)	(715)	(1,221)

### The Operating Budget

For 1981 ordinary receipts are estimated at 18.5 billion DH, compared to 15.2 billion DH in 1980, or an increase of 21.38 percent. This increase also concerns the fiscal receipts which are made up of the operations of the state monopolies, the financial participation of the state in business enterprise, and miscellaneous receipts.

In this regard it is important to note that the draft budget bill for 1981 involves no legislative change of such nature as to increase the fiscal burden. This is by reason of the government's desire to pursue the objective of relative stability in our fiscal system. Moreover, the government will soon present to the National Assembly a draft bill on fiscal reform whose features have been established, following a distillation of views on the subject of local and agricultural taxation.

On the subject of credits opened for ongoing expenses for 1981, these amount to 18.1 billion dirhams, as against 15.1 billion dirhams in 1980, showing an increase of 20.1 percent.

The characteristic features of this evolution of the operating budget may be summed up in the following principal points:

First, continued strengthening of the ministries charged with security and the defense of the country by satisfying their needs for positions and credits necessary for the functioning of their services and their equipment, as well as the coverage of their activities. These ministries have benefited from about 40 percent of the credits made available to all of the ministries under the heading of personnel and equipment expenditures.

Secondly, a continuation of the efforts aimed at strengthening decentralization by placing increased financial means at the disposition of the local administration. The state subsidies to these administrative units will go up from 270 million DH in 1980 to 345 million DH in 1981.

Thirdly, paying the necessary attention to the social sphere, as various measures have been taken in favor of citizens with limited incomes and as the means available to the ministries concerned with the social sector have been further developed. Thus, compensation expenditures will increase by 188 percent, because the subsidies to the compensation fund and to the National Interprofessional Office for Cereals and Vegetables will increase to 1.4 billion DH, as against 486 million DH in 1980.

To these subsidies should be added a contribution of 80 million DH earmarked to compensate persons owning rental property who have an overall income not exceeding 1,500 CH per month and whose rental income has been reduced by one-third.

Payments by employers, estimated at 65 million DH, will be continued for the validation of prior service of temporary employees eligible for the system of retirement allowances.

Elsewhere, we have raised the credits provided to the Ministries of Health and National Education as well as to the ministries charged with professional training, including the Ministry of Equipment and National Development, the minister of state charged with tourism, the Ministry of Social Affairs and Handicraft, and the Ministry of Housing and Territorial Management.

Fourthly, the creation of almost 37,000 new positions to respond to the need for cadres in the defense and administrative sectors. This particularly concerns the sectors of national education (13,400 positions) and public health (2,539 positions) and also permits giving permanent status to 3,120 temporary employees and 1,781 Moroccan citizens expelled from Algeria.

These creations of new positions, on the other hand, constitute one aspect of the government measures aimed at promoting employment and at fighting against unemployment.

Fifthly, there is the increase in salaries of government employees in two stages during 1981. This increase in large part will benefit low-level officials and will consist of raising by 10 percent the value of the index point to 150, in stages of 5 percent as of 1 January 1981 and 5 percent more as of 1 July 1981.

Despite the growing needs expressed by the different administrative entities for the completion of their missions and which have required a considerable increase in ordinary expenditures, the operating budget for 1981 will be characterized by a surplus of 377 million dirhams, as compared to 150 million dirhams in 1980, as a result of the parallel increase recorded in ordinary receipts.

#### The Investment Budget

Investment does not have for its only objective the satisfaction of immediate needs in the different areas of national activity but rather tends toward the creation of broad economic activity which implies the achievement of approved projects and the laying of foundations essential to balanced economic, social, and cultural development. Thus, it is true that the equipment available to the country is the necessary instrument for development and the guarantee of the future at the same time.

In his speech opening the present session of the National Assembly the King asked us to be ambitious in the matter of investments so that we can exploit all of the national wealth, whether in the soil, under the ground, or in the sea. Thus, the draft investment budget for 1981 has applied this royal directive.

This budget has three characteristics which may be summarized as follows:

- 1) The size of the credits allocated;
- 2) The manner of dividing these credits among the various social and economic sectors;
- 3) The scale of certain new projects contained in it.

Before going into the contents of the draft investment budget in detail, it would be useful to review, even if only briefly, these three characteristics.

Regarding the size of the credits made available, the size of the new credits is practically 10 billion DH, whereas the annual average credit opened under the three-year plan (1978-80) was less than 8.47 billion DH.

If the comparison of the overall figures is intended to show the importance of the leap forward achieved by the present draft budget, compared to preceding budgets, a detailed examination of the different sectors makes it appear clearly that the draft which has been submitted to us responds to the directives of the King.

In effect, and although the first priority remains the military equipment effort aimed at providing the courageous Royal Armed Forces with the means of accomplishing their mission under the best conditions, the other sectors have also benefited from substantial credits so that they could face up, as far as possible, to the needs they had expressed.

Regarding the division of credits among the various social and economic sectors, this proceeds from the wish to reduce disparities, both at the social as well as regional level, and to exploit national resources.

It is appropriate to note in this connection the beginning of a large program of constructing housing for the families of those who have died on the battlefield in defense of the territorial integrity of the country, as well as the implementation of a program of constructing housing for lower-ranking government officials, and the adoption of measures favoring our workers abroad. The latter notably include the opening of specific credits aimed at covering the refund of interest on the loans extended to this category of citizens for the purchase of housing for themselves or their families.

In this same framework it is right to note the increase the resources placed at the disposition of the national development program in order to extract the greatest benefit from the existing human potential and to lessen the consequences of unemployment. In this respect work projects will be opened for the attention of young people, known for their dynamism within political, trade union, and social institutions. This will be done so that they can contribute their part to the work of building the country.

Regarding the diminution of regional disparities, the program that has been approved is characterized by effective intervention in favor of the development of the Sahara provinces, the expansion of investments in the arid zones, the areas that specialize in animal husbandry, as well as forest areas and regions threatened by erosion.

This program is also characterized by the size of the credits allocated to the Regional Special Development Fund and the maintenance at a high level of the activity of the development funds of local government bodies. This provides real content to the policy of decentralization that has been followed for several years.

In the area of the exploitation of national resources, it is important to point out particularly the qualitative change that has occurred in the level of investment in the fields of oil research and the possibility of exploitation of oil shale, as well as in the area of marine fisheries and deep water research.

Finally, the Investment Budget for 1981 is characterized by the beginning of certain operations whose scale requires that they be mentioned. These concern principally the construction of the new building for the Chamber of Representatives, the new University Hospital Center in Casablanca, the port at Laayoune, the Ait Chouarit dam, and the Rabat sports complex.

Thus, one may consider that 1981 will be marked by the resumption of investments and of the economic activity which accompanies it, after a period of 3 years of pause and reflection whose results have been the re-establishment of a fundamental balance and the creation of favorable conditions for a new resumption of growth on healthy economic and social bases.

The total credits provided in the Equipment Budget amount to 24 billion DH, of which 9.9 billion DH are provided out of current income for 1981, as opposed to 8.4 billion DH for 1980. An additional amount of 14 billion DH in obligation credits is provided for 1982 and following years.

To these totals should be added credits from the present fiscal year which are estimated at 12 billion DH, which brings the overall budgetary package at the disposition of the different ministries to 36 billion DH.

5170

CSO: 4519/21



## PFLO RADIO' ON FOREIGN INFLUENCE IN OMAN'S ARMED FORCES

EA152050 Aden Voice of PFLO in Arabic 1545 GMT 15 Aug 81

[Excerpts] Brothers, when we talk about British domination of Oman we find a great deal of material evidence for the process of domination which Britain has been pursuing since the beginning of the 19th century.

A regime that lacks trust in its own people cannot stay in a position of leadership for a long time. This is the course of the Qabus regime in Oman. His policy will inevitably fail and consequently the treacherous regime will be removed from Oman. The Qabus regime in Muscat lacks all pretense to independence apart from the name and [word indistinct]. It is thus qualified to play any part assigned to it by the imperialist powers without any conditions or limits.

Now the era of military pacts with Britain and the U.S. is ushered in with the granting of military facilities on Omani territory.

In a report prepared by a U.S. military mission which toured Oman for months and studied the situation in the country, there was a paragraph which said: "The British presence in Oman is an obstacle to the transformation of the Omani armed forces into a national Omani force. In every military sector there are many British officers and many of the Sultan's military advisers are British.

This report went on to say: There is dismay in Omani circles about foreign domination over the armed forces and about the fact that Omanis are not given the opportunity to advance. These things constitute factors threatening stability in Oman.

What has been said in the report only touches on the painful reality experienced by the citizens under the regime of a gentry in Muscat. Let the forces of our people unite to rid themselves of the yoke of shame brought in by Qabus and his fellow travellers under the guidance of their masters in our country.

CSO: 4304/119

## LNG VENTURE WITH JAPAN

London 8 DAYS in English No 32, 15 Aug 81 p 45

[Text]

FIVE MAJOR Japanese trading firms have agreed to form a negotiating group as a positive response to a recent invitation from the Qatari government to participate in its plan to export LNG resources amounting to six million tonnes a year from 1987. The five companies, who received separate invitations from the Qatari government, are Mitsui, Mitsubishi, C. Itoh, Marubeni and Nissho-Iwai.

Qatar's huge Northwest Dome offshore gas field is thought to be one of the world's largest, although its full extent is yet unknown. The massive costs involved in extraction, plus uncertainty over future gas price levels, have made many western companies cautious about committing themselves to large-scale involvement.

According to the invitation received from the Qatari government — which set the deadline for acceptance at the end of August — the development of LNG will be carried out under a service contract between the Qatari government and international majors, and the project will be structured under a joint venture formula. The Qatari government invited the Japanese companies to participate in the joint venture and its marketing.

The invitations further said that the Qatari government would retain an 80 per cent share in the joint venture, and that international majors would hold 10-15 per cent, the rest to be held by the Japanese participants. The Japanese firms are reported to have notified the Qatari government already of their 'interest' in the project, including participation in the construction of development facilities to be established in Qatar.

The Qatari move is reportedly based on statement, made by Governor Jeida of the National Petroleum Corporation of Qatar at the sixth international conference on LNG held in Japan in April 1980. That a 'vast natural gas field with 2.8bn tonnes of LNG has been discovered in Qatar.' This would represent 5-6 per cent of the worldwide confirmed total natural gas deposits.

The current talks follow the recent contracts Japanese electricity and gas companies have concluded with Western Australia for annual purchase of six million tonnes of LNG and the basic agreement reached between Japan and the Soviet Union for development and purchase by the Japanese of six million tonnes of LNG from the continental shelf off Sakhalin Island.

The joint five-company invitation is an innovation — until now, there has been two set formats to LNG import negotiations. One is that a specific company has been approached to implement a specific project, as in the cases of Alaska, Brunei, Das Island, Sarawak and Canada. The other is that two or three more firms have submitted bids, and only one company has been chosen to enter into final negotiation, as in the cases of Indonesia and Western Australia.

In order to avoid any possible confusion or 'divide and rule' dangers the companies have agreed to take a unified position.

The Japanese are fully committed to securing LNG resources as a replacement for oil, which now accounts for 75 per cent of primary energy requirements. The government plan is to reduce the level to 50 per cent by 1990.

## BRIEFS

FLOUR MILL STUDY--The Qatari government's Industrial Technical Development Centre is studying plans for a new high-capacity flour mill to meet the state's needs until the turn of the century, the OPEC news agency reported last week from Doha. OPECNA said a study was also underway to choose a suitable site for the new mill and that an existing mill at Umm Said might have to be moved because of the risk of industrial pollution. Much of Qatar's new heavy industry is located at Umm Said. The flour mill at Umm Said was set up in 1972 at a cost of \$32.9 million and can grind 100 tonnes of wheat each day; the mill also has storage capacity for 16,800 tonnes of wheat; an extension to the plant was added in 1978 at a cost of \$54.8 million. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 32, 10 Aug 81 p 5]

CSO: 4300/91

## POLITICAL FIGURES RUMINATE ON MOVE TO PARTY PLURALISM

London AL-DUSTUR in Arabic 13 Jul 81 pp 28-31

/Article by al-Salami al-Husni: "Following Bourguiba's New Democratic Initiative, Discussions with AL-DUSTUR; Muhammad al-Shabi: 'The Call for Party Pluralism Is an Important Turning Point'; Hasan al-Ghadban: 'We Bless This Step and Hope It Bears Fruit'"/

/Text/ In 1975, that is, 6 years ago, Tunisia's president, Habib Bourguiba, hinted in a press conference that Tunisia might embark on a course of political pluralism. However, the prime minister at that time, Hedi Nouira, told the Egyptian magazine AL-MUSAWWAR that party pluralism, even in Europe, had become a facade for chaos.

Since that date, Tunisia has gone through important events, from the Tunisian General Federation of Labor crisis and strikes to the events in the city of Gafsa. Tunisia, as it embarked on the decade of the eighties, seemed to be gathering its wounds and preparing to enter a new turning point which it had not seen in the past. Mr Mohamed M'zali who is well known for his intellectual liberalism and his Arab orientation, was given responsibility for supervising this turn, which actually appeared a year ago. Since then a number of steps have been carried out, characterized at the beginning by political liberalization and the clearing of political air. Then, some months ago, the stamp of recognition was granted to a number of parties and ideas, along with freedom of the press. Thus Tunisia began, sometimes hesitantly and sometimes bravely, to progress toward a kind of democracy and recognition of various political currents in the country.

## Pluralism of Ideas

Bourguiba, in his capacity as chairman of the ruling Destour Party, declared at that party's conference that he saw no obstacle to letting political movements take part in public life and that the time had come to recognize a pluralism of ideas. This declaration was the consecration of a state of affairs that actually already existed, since all currents had started to express themselves, through the press, publications, or open activity; however, at the same time that the regime was seeking gradual ways of applying these orientations, the opposition demanded that it be officially recognized and that it be permitted to issue its own press.

While this searching and demanding was going on, the real problems of the shift from the single-party system to the multiparty system became apparent. The government has stated that if it permitted everyone who wanted to form a party to declare that and proceed with his activity, Tunisia would turn into a mosaic of parties

and organizations, while what was intended by letting currents proliferate was the broadening of scope of action of major intellectual forces. The leaders of the ruling Destour Party do not hesitate to say that the opposition which demands to be given official permission for party activity is unaware that the Destour Party itself does not have an official permit and that the only party with a permit in Tunisia is the Communist Party (whose permit has been withdrawn). Indeed, the ruling Destour Party has not received permits from the Ministry of the Interior since the French colonial authorities proscribed it after World War II. Therefore, to prevent that sort of political fragmentation, the Council of Ministers recently announced that official recognition of the parties would be conditional on each party's getting 5 percent in the parliamentary elections to take place next 1 November. These elections will be taking place ahead of schedule, so that the way may be paved for the opposition to take part in them, with full financial and media guarantees for the candidates. In the wake of the declaration on these measures, the various political currents, especially the Communist Party, the Social Democrats and the Islamic Orientation, declared that they were awaiting more suitable conditions for participating in the elections. These conditions may be summarized as prior official recognition of political organizations, permission for every party to issue its publications speaking in its name, and the guarantee of justice in the conduct of the electoral campaign.

#### The Solution Is in Bourguiba's Hands

In fact, as events have proved, the solution and resolution are still in Bourguiba's hands. Everyone is still waiting for the president to take another step in the direction not of encumbering the opposition with conditions which are difficult to meet but of granting them a greater opportunity to show what they can do. It is he who appointed Mohamed M'zali to guide the country toward democracy, and it is he who declared /the policy of/ pluralism. Why shouldn't he also signal the Ministry of the Interior and the government to apply the law and the letter of the nation's constitution? Bourguiba might be waiting for the appropriate time, but continuing in a state of searching and hesitation which the opposition describes as a retreat might be very harmful to the steps that have been taken so far along the road toward recognizing the opposition's right to exist and to express itself. However, what political circles in Tunisia do stress is that the slow progress Mzali's cabinet is making on the issue of democracy might result from pressures some rigid forces domestically and abroad that are opposed to an opening toward the opposition are exerting, and perhaps might result from the government's fear that haste in applying the decisions which have been made will deliver a blow against the democratic orientation itself through unexpected social or political convulsions and that it is reasonable to think and draw attention to dangers before moving forward with a new policy and to impose coordination between this liberalization and the social situation, which has become less tense following the election of new Labor Federation leaders.

In any event, these fears today all constitute a psychological factor, as far as both the government and the opposition are concerned, through which each party tries to come up with a missing compromise solution which will satisfy everyone, that is, a compromise between the way the opposition characterizes the regime, stating that it is not serious in its appeal for political pluralism but is using it for local consumption to create a suitable atmosphere to regain its breath, and



the statement the regime makes, to the effect that it does not want to implicate the country in political fragmentation or grant permits to organizations (some of which have ties with the outer world and some of which still believe in violence) and that what is needed is that objective rules be set forth which will apply to everyone.

In another area, although attention in Tunisia has come to be concentrated on the issue of democracy, the regime has made another substantial issue part of the priorities and reforms it intends to carry out. Bourguiba made the announcement "Tunisia is an Islamic Arab country with African and Mediterranean dimensions, and this affiliation imposes a group of duties upon it. We believe that it is inevitable, sooner or later, that we will merge with our brothers in organizing our common affairs in a formula which we will choose, lest each country remain alone, isolated, limited in power and low in influence." In Tunisia, this declaration is considered an important turning point, not less than the turn toward democracy. By virtue of this, the name of the National Assembly has been changed to the Chamber of Deputies--it was stated in the particulars of the constitutional reorganization that the word "nation" cannot be applied to Tunisia because it is part of a greater and broader nation, the Arab nation. In the conditions of Tunisia, as part of the low status an important part of the influential elite is suffering from (as contrasted with the circumstances which prevailed, in which Arab nationalism was considered to be a serious charge for which a person could be brought to trial), this decree is considered a revolution which has definitively and constitutionally established Tunisia's Arabism, crushing tendencies opposed to Arabism on the left and right alike and consecrating the Arab orientation through a historic triumph which will have results, if it is accompanied by serious application of the decrees bearing on the democratic orientation, for the future of Tunisia, which, by virtue of this turn, will begin to have influence abroad and in the Arab environment, while for a long time it was just influenced by it.

#### The Historic Turning Point

In another area, proceeding from Tunisia's preparations to enter onto these new democratic horizons, AL-DUSTUR held two conversations--with Prof Muhsen Mas'ud al-Shabi, a prominent leader of the Arab Nationalist Trend in Tunisia and the number one opposition member in the new left movement, and Shaykh Hasan al-Ghadban, who speaks for the Tunisian Islamic Consultative Trend-- in an effort to ascertain the reaction of Tunisian opposition political bodies to the new democratic step Tunisian president Habib Bourguiba has taken.

Herewith is the text of the first conversation:

/Question/ Prof Shabi, observers consider that President Habib Bourguiba's declaration on political pluralism and the results of the exceptional conference of the Destourian Socialist Party and the Tunisian General Federation of Labor [UGTT] are among the most significant events which have occurred recently in Tunisia. How do you view this new situation in the country?

/Answer/ Without a doubt, the latest Destour Party conference should be considered one of the most prominent events Tunisia has gone through in the recent period, or in a number of years, at least from the theoretical standpoint, because two issues to which the country's present and future are related were resolved in it.

The first issue is the Destour Party's endorsement of political pluralism, that is, a proliferation of political currents in the country, by making it legitimate for these various currents to express themselves independently of the Destour Party and the regime. Assuredly, such a decision must be considered an important turning point in the history of the regime, because it will shift the country from a single-party system to a system in which political currents proliferate and in which they express themselves in legitimate form.

The second point which was raised in this conference is the issue which was resolved when the conference applauded enthusiastically as the party chairman declared it. This is the issue of Tunisia's national identity. The issue of Tunisia's Arab affiliations resolved, and reference was made to the need to try to merge it into an Arab nation through which Tunisia, and all parts of the Arab nation, will be able to defend themselves against the forces threatening them on the international stage.

We certainly believe that the Destour Party, after 20 years of ruling the country, has shortened the distance between itself and the popular democratic opposition, in particular the democratic progressive Arab current, by resolving these two issues. For this reason we consider that if these resolutions are carried out a new stage will have begun in the country in order to build its present and prepare to build its future.

/Question/ When we address ourselves to the major issues in the country, we do not view them from a party perspective, we view them from the perspective of the country's interests, and those of the Tunisian people. What is important is that the people benefit from these decisions. Through whom is not the important issue; whether that takes place through the Destour Party or through others is something which will be resolved not by argument but by history, especially if the country actually does move over to a democratic situation where other currents can express themselves freely through freedom of expression and freedom of the press. We concentrate specifically on freedom of the press because one cannot establish a real natural democratic life without accepting freedom of the press and expression, and freedoms such as that of assembly, without question, because political pluralism in truth has no meaning if it is not given an opportunity to define its concepts. It is not important how many parties there will be in the country; what is important, rather, is that the various currents in the country find an opportunity to express themselves as the Destour Party has found an opportunity to express itself. Naturally, we have never said that the Destour Party must be expelled from the country; rather, we say that every Tunisian has a right to the country. Our problem with the ruling party lay in its considering that whoever was outside it ought to be outside the country. This arose from the fact that this party did not acknowledge the need for a multiplicity of ideas. It is impossible that the country could evolve in a natural manner if there is no struggle and dialogue between long-term and short-term interests, the interests of the present generation and the generation of the future, within the important thing is that we be able to reduce the contradiction in this struggle, the contradiction between these interests, so that the transition from the present to the future will take a form more peaceful and beneficial for the country, in a conscious manner which has been determined in advance. Such a conscious manner cannot exist if the country does not enjoy a democratic climate in which every current and every idea on the country's present

or future will be permitted to be expressed. Therefore the issue at hand now is whether the opposition (which for the most part expresses the country's aspirations for the future) can exist alongside the present, and whether the country can live in its present and its future at the same time.

/Question/ Do I understand from this that M'zali's government enjoys your trust and that you consequently believe that it is able to apply this transition toward democracy?

/Answer/ I believe that no judgment on any government can be made through statements or through the program which it declares it intends to apply, although the program and the intentions are taken into consideration in the evaluation. Mohamed M'zali is a personality who has been known for years for his commitment to specific ideas. Through the cultural field, Mohamed M'zali propounded Tunisia's affiliation with the Arab world and with Islamic Arab civilization. On this point we are in sympathy with him, are in agreement over it, and we can participate together in applying it and consequently take part in a democratic Arab nation. For this reason we consider that if M'zali's government can grasp the general picture of the overall forces in the country, it can apply a significant portion of the slogan it has propounded. This does not mean that hard-line forces connected to the Western and capitalist world will refrain from exerting pressure, but we believe that Mohamed M'zali will be able to rely on influential popular forces to frustrate the effect of these burdensome elements that oppose and obstruct Tunisia's progress toward democracy and toward incorporation into a democratic Arab nation.

/Question/ Could the conclusion of this analysis be that the progressive Arab current will advance hand in hand with M'zali's government if the latter takes steps to carry out its democratic program?

/Answer/ Certainly the progressive Arab current does not take a negative position on the country or events. It extends its welcome to every step that is taken as part of the convictions on whose behalf it is striving. It is anxious that there be a great power in the country which believes that Tunisia's future interests are contingent on this matter and on the greater Arab movement. We are claiming to represent the whole Arab current, because that exists in all the political blocs in the country. We consider that the Arab tendencies within each bloc can cooperate with one another in carrying out the common tasks which the country's present and future lay on our shoulders.

#### Power in Arabism and Islam

AL-DUSTUR to Shaykh al-Ghadban: Does the Islamic Consultative Trend have any particular opinion on the democratic developments taking place in Tunisia?

/Answer/ The announcement the Destour Party made at its latest conference was not new from the constitutional standpoint; what it announced is written down in the constitution, which was codified in the first days of independence. Consequently the Destourian Socialist Party has responded to constitutional legitimacy. It is true that there are people who say that pressure was applied until the regime responded to this demand, which was made by the opposition and by all popular powers in Tunisia, but the truth of the matter is that the council which drew up the



constitution in the first days of independence considered salvation and success could be realized only through pluralism. We are sorry that what the constitution contained previously has been announced after such a long period. It is not bad for us not to say a great deal over the past, now that it has been declared that what the constitution declared legitimate has been declared legitimate in law. We bless this step although we follow it with this: The Tunisian people are capable of exercising democratic life and it is not right that guardianship be imposed on it from one direction, because our people belong to a nation whose history is replete with the virtues of pluralism, even on the ideological and religious levels! I believe that the forces which have appeared on the Tunisian stage have enough maturity and consciousness to enter into the adventure of political pluralism without having the interests of the country and the religious institutions. However, the danger threatening this declaration is that a sort of regression from the announcement that has been wisely made, might occur if the burden on the opposition movements is increased through conditions which the opposition did not endorse but which the ruling regime has stipulated. It is logical that the only condition without which no movement can play a role in Tunisia is that it not betray the conscience of Tunisia, is that it not be non-Arab, and Islamic--that is, that it not be unpatriotic. The regime ought to have asked the opposition who was outside this framework, that is, outside the framework of Arabism, Islam and nationalism.

/Question/ Will the Islamic Consultative Trend take part whenever an opportunity is granted it in the parliamentary elections or other things?

/Answer/ We are not waiting for an opportunity to participate--we began participating 10 years ago. As far as parliamentary elections are concerned, we have issued a declaration (we do not know why AL-MUSTAQBAL did not publish it, as that is an opposition paper) in which we stated our position, which is that we believe that if the coming elections were to take place in a framework of political justice, that is, if there were to be political equality among all, including the ruling party, and the resources available were to be distributed to all movements, because the resources of the Destourian Socialist Party are those of the Tunisian people--and also if there were to be justice on the level of the media and also on the security level, whereby security agencies would protect the meetings the various political currents held, and there were no guardianship on the part of the government in terms of supervision or dictation of conditions, and that anyone who wanted to come forward to be elected could do so, we would in this situation, be prepared to enter the coming parliamentary election contest. However, if there is guardianship over the process of venturing into the elections and if there are conditions for entering these elections, we will not enter them, because we see no justification for doing so--indeed, more than that, we will condemn opposition people who do enter them because that is to be considered a conspiracy against true democracy. This is the position which we have declared in our statement and publication and which we are repeating for AL-DUSTUR magazine.

#### The Regime Knows

/Question/ However, the political justice you are demanding clashes with a situation which you acknowledge, which is that political movements in Tunisia do not have equal weight, and that consequently the Destourian Party, which still constitutes a force in the country, might not agree to be the equal of a weak movement which is not even able to express itself.

/Answer/ It is true that political movements in Tunisia are unequal, even in their background and their mass appeal, but we demand that every movement be given what it represents. How can we ascertain this constituency? There is no doubt that the regime knows the true nature of every movement in the country and the extent of its constituency. What is important is that we honor /the principle of/ having these people choose who they want and the trends in the country that they wish. There one must state that we are not leery of political fragmentation--what we are afraid of is that the regime fears certain tendencies that have real weight, as a result of the slogans they raise and the ideas and hypothesis they present, which the Tunisian people respond to in a spontaneous fashion. In my opinion, these tendencies focus on one fact, which is Arabism and Islam, which are deeprooted in the conscience of the Tunisian people, and no other fact or idea has the presence in the hearts of the Tunisian people that Arabism and Islam do. We are afraid that the government may try to slam the door in the face of people raising the banner of Arabism and Islam.

/Question/ However, the government says that the danger lies not in Arabism or Islam but in violence and secret activities aimed at overthrowing and bringing down the regime.

/Answer/ Naturally when lawful activity is not allowed, recourse is taken to secret action, which was never an acceptable choice, even in the days of the prophet of God. Secret action is compulsory when one is faced with nonrecognition. The option which exists is that between democracy and violence. If the government is afraid of violence, it must eliminate the causes of it, which are embodied in a refusal to recognize other tendencies. We are now faced with two options--open democratic activity governed by the law, or unlawful activity which will bring sin upon the country, in view of the violence and chaos that will produce. These phenomenon no one is content with, but what recourse is there for anyone compelled to pursue them in the face of prohibitions?

#### The Iraq-Iran War

/Question/ Today the Arabs and Moslems face a war between Iraq and Iran. How do you as an Islamic Consultative Trend view this war?

/Answer/ It is necessary to go back to the beginning of the story if one wants to understand the end of it, because the talk about the Iraq-Iran war is the end of the story. Whether the authorities which were established in Iran after Khomeyni's return to Iran are authorities which have committed themselves to Islam is the basic point.

When the revolution in Iran began, we were in sympathy with it, up to the day Khomeyni returned. I do not believe that the Iraqi people were against it--rather, they were against the corrupt regime of the Shah. Once matters were in Khomeyni's hands, did the Iranian people get what they had been expecting? Did oppression and terror really end and did the era of freedom start? I believe that what is known as the Islamic revolution in Iran has become greatly confused in a manner detrimental not just to Khomeyni as a person but also to Islam and the Moslems. Ultimately it is Islam that is injured and hurt by the behavior of two people in power in Iran. I believe that the fact that some Islamic movements became implicated



with Khomeyni was a mistake from the standpoint of Islamic law because it imparted a character of sanctity to every action that took place in the name of Islam. While we do not intend to look at the acts of the prophet of God, there are mistakes and good deeds in the acts of man. The mistakes by the people who are in charge of affairs in Iran are plain to see and the practices that are far-removed from Islam are plain to see. They are all a facade for the defects in the way the institutions of government were established. It would have been more fitting had the Iranian government, rather than getting into a war, which has brought Iran nothing but calamity and destruction, established the foundations of the state first. However, the tragedy is that the Iranian leaders became implicated in marginal problems, in a war in which there is no benefit for the region, the Arabs or the Moslems. This failure, power struggle, killing and liquidation is proof that what has taken place in Iran is not an Islamic revolution. When we say this, we believe that we are being sincere before God in what we say. We, as an Islamic Consultative Orientation, are the first to raise the banner of criticism against the Iranian leadership, which is not committed to Islamic morality.

Who Is al-Shabi?

al-Shabi is considered a major fighting member of the Arab Nationalist Trend in Tunisia. He has in the practical sense devoted a number of articles and books to this orientation that were issued over a period of time, most prominently "The Strategy of Arab Revolution," "A Step Forward, Not a Retreat" and "The Maghreb at the Crossroads." A single thread links all these books--the relationship between the issue of democracy and Arab unity and the forces which are active in the negative and positive senses in Arab society governing this issue specifically.

Who Is al-Ghadban?

al-Ghadban is considered the Islamic Consultative Trend leader in Tunisia who has the greatest influence on the Tunisian man in the street. That may be attributed to his connection with Arabism and Islam, and the postulation that Arab unity is an inevitable necessity. Above and beyond that, he has given more than 200 lectures which have been sold in the form of type cassettes in Tunisia in ordinary marketplaces. The Islamic Consultative Orientation is considered a tributary of the Islamic Orientation led by Rashad al-Ghanushi and 'Abd-al-Fattah Muru.

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CSO: 4504/41

PAPER COMMENTS ON U.S.-ISRAELI DIFFERENCES

GF161952 Dubayy Al-BAYAN in Arabic 13 Aug 81 p 1

[Editorial: "The Essence of the Differences"]

[Text] The news that the United States has postponed the delivery of sophisticated arms to Israel, and the annoyance of the Israeli enemy, who went as far as to protest this action by the U.S. Government, pose a question to which we must seek an answer: How far can these differences go?

This in turn requires us to seek the answer to another question: To what extent can the Arab exploit these differences and turn them to their favor? And how?

The differences between the United States and Israel spring from a basic fact, namely, that each side gives priority to its own strategic interests. The strategic interests of the United States in this region is to ensure the flow of oil to the West without impediment or threats and to prepare the entire area for a positive role--from the U.S. viewpoint--to confront the Soviet danger that has begun to emerge particularly following Afghanistan. In this regard it should be noted that the Reagan Administration gives priority in its strategy to this last aspect.

However, the continuation of the Israeli conflict is a constant obstacle to stability in the region, while the U.S. commitment to Israel continues to be an obstacle to the Arabs' acceptance of an alliance with the United States in the conflict against the Soviet Union. Thus an end to the Arab-Israeli conflict is a necessary condition for implementing U.S. strategy in the area. This is what the United States is seeking to achieve by various means, without of course neglecting the so-called "moral" commitment to the Zionist state.

Matters could have gone Washington's way if the Arabs had accepted the fait accompli and accepted Israel's conditions to end the conflict. However, what happened is that the capitulation process stopped at Camp David and went no further. Consequently, the United States had no alternative but to exert pressure on the other side--Israel--to achieve its objectives. And as much as the Arabs insist on their rights the United States will equally exert pressure on Israel. Israeli leaders are ultimately not interested in the implementation of U.S. strategy as much as they are interested in realizing the dream of a greater Israel.

This is the essence of the contradiction between what Washington wants and what Tel Aviv wants. In the past Israel's policy was based on the U.S. belief that Israel is the area gendarme that is capable of being compelled with the use of a stick to follow the path drawn up by Washington. Recent development, however, have removed this illusion and persuaded the United States that the "use of the stick" is bound to alienate the Arabs more and more from Washington.

Let us hold on further to our rights. This is the only way to make the United States believe in the justice of these rights.

CSO: 4304/119

UAE PAPER ON U.S. DECISION ON AIRCRAFT DELIVERY

GF201G32 Abu Dhabi AL-ITTIHAD in Arabic 19 Aug 81 p 1

[Unattributed editorial]

[Text] Reagan's decision to lift the ban on delivery of F15's and F16's to Israel was not dangerous in itself. The Arabs know the "depth" of linkage and the "strength" of the relationship between Washington and Tel-Aviv--to quote Evron, the enemy's ambassador to the United States, who was the only Israeli to laud the decision as his personal accomplishment.

However, the significance of the decision stems from the fact that it is the final act of a U.S. maneuver aimed at assuring Arabs that they are being considered by U.S. decisionmakers. Nevertheless, Arabs knew beforehand the "insipidness" of this maneuver and the naivete of the plot.

The U.S. decision aimed "tactically" at absorbing the indignation that spread throughout the Middle East, indeed, throughout the world, at Israel's brutal attack of Iraq's nuclear reactor near Baghdad, which employed the same kind of aircraft. It is certain that Israel was informed of decision in advance and that the United States did not stipulate not to show some resentment. Thus, Israel protested as best it could. This was the situation at the first stage of the ban.

The ban had to hold for a few more weeks to tactically absorb the effect of the barbaric raids on Beirut, in which the same kind of aircraft was also used. Realistically, Israel was not in need of them.

Meanwhile, the United States did not forget to present one of its projects and papers on the Middle East, and what emerged was the cease-fire in Lebanon, which succeeded "temporarily." Thus, the Israeli-Palestinian war stopped, perhaps for reasons determined by the two parties at that time. Then came the more dangerous paper, which called for turning the cease-fire into a de facto situation, in other words, into a "settlement." The latter paper was rejected because it was more vile, because it aimed at turning the cease-fire into an annihilation of the Palestinian revolution. The U.S. conspiracy had to be uncovered and condemned. Therefore, hopes evaporated and it was decided to remove the thin mask made of the threads of the cease-fire and the ban of aircraft delivery to Israel in order to reveal the U.S. face as it is.



In short, the decision means freeing Israel's hand once again to carry out its aggressive acts. How soon Israel will take action!

However, from an analytical point of view, the decision can be considered a "positive one" because every tactical deceptive step has a negative effect on friends and every open confrontation unifies them against enemies.

CSO: 4304/119

UNITED ARAB EMIRATES

UAE OIL MINISTER ON OPEC EFFORTS TO REACH AGREEMENT

JN202001 Manama GULF NEWS AGENCY in Arabic 1915 GMT 20 Aug 81

[Text] Geneva, 20 Aug (GNA)—UAE President His Highness Shaykh Zayid ibn Sultan al Nuhayyan has instructed the UAE delegation at the OPEC conference in Geneva, to work for reaching some sort of agreement that protects OPEC unity and the member states' interests and serves the entire world. This came in a statement by Dr Mani' Sa'id al-'Utaybah, UAE minister of petroleum and natural resources, to the Emirates News Agency here today. He added that tremendous efforts are now being exerted by the OPEC heads of state to reach a compromise solution among the OPEC's 13 member states.

The minister pointed out that OPEC heads of state will appeal to Saudi King Khalid to raise the Saudi oil price to \$35 per barrel in accordance with a proposal supported by the majority of member states. He warned that the states that sell their oil at high prices will very soon be forced to lower their prices due to market influences. He also warned that if the current conference fails to reach an agreement, Saudi Arabia will find it hard to raise its oil prices even to the level of [figure indistinct] per barrel, which is the price of its light oil.

Dr al-'Utaybah added that the African states, which demand prices up to \$40 per barrel for their excellent light oil, will not be able to sell it at the present prices. He expected these states to announce large reductions in their prices if they do not take advantage of Saudi Arabian willingness to raise its prices. This, he said, is due to the influences of the confused market.

He said that the ministers are unanimous on freezing prices until the end of 1982 and that there is no disagreement on the levels of the prices at which the freezing will be implemented. He added that this freezing will create a suitable atmosphere and stability in the world markets until demand for oil returns. [words indistinct] once again.

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UNITED ARAB EMIRATES

MINISTER OF PETROLEUM DISCUSSES OIL PRICES

JN161217 Manama GULF NEWS AGENCY in Arabic 1145 GMT 16 Aug 81

[Text] Abu Dhabi, 16 Aug (GNA)—Dr Mani' Sa'id al-'Utaybah, UAE minister of petroleum and natural resources, has called on OPEC countries which are selling their crude oil at high prices to reduce these prices. He called on the countries [words indistinct] their prices [words indistinct] raise their prices to seek a compromise solution among the various trends, thus leading to the unification of the oil pricing systems in the region.

In a statement today, Dr Al-'Utaybah said that the price of \$34 a barrel is a good basis for such a compromise solution, one which the oil market can automatically accommodate through supply and demand and which will enable balance to return to this market once again.

He stressed that his country will exert all its efforts to consolidate OPEC's unity and protect the interests of member states.

Dr al-'Utaybah pointed out that the reasons for the oil crisis are due to the large increase in crude oil prices and not to the increase of production. He went on to say: The increase in Saudi production is not the reason for the surplus in the market because this increase compensated for only part of the reduction of oil production by Iraq and Iran.

He stressed that the OPEC states should reconsider their long-term pricing policy in a new spirit in light of the new factors brought about by the market.

Concluding his statement, which he made before his departure for Geneva today, Dr. al-'Utaybah stressed that his country is not at present facing any difficulties in marketing its oil and said: The UAE is always eager to find the suitable healthy market for its oil and gas for several coming years. Therefore, he said, it will not take any steps which might lead to the loss of its markets and clients.

CSO: 4304/119

DEVELOPMENT PLAN SEEKS BALANCED GROWTH

Paris AN-NAHAR ARAB REPORT & MEMO in English No 32, 10 Aug 81 pp 5, 6

[Text]

The Federal Ministry of Planning in the UAE has unveiled the federation's next five-year plan (1981-85), estimated to cost a total of around \$3.67 billion. It is understood that \$2.27 billion of this will go towards development projects already under way, while the rest will be used on schemes undertaken during the new plan period.

At the same time, the Ministry of Planning released figures on the last calendar year's achievements under the previous general economic development plan. According to the Ministry's report, the authorities' concern is to balance out the standard of living in various parts of the country, and provide greater economic equality among the seven member-states of the federation.

The figures released by the Planning Ministry are a good indication of the imbalances which existed and the way the authorities are now seeking to redress them. The largest development project funds allocated last year, the ministry's report says, went to Fujairah, which received Dirhams 1.422 billion (\$386.8 million). Abu Dhabi came only second with Dirhams 1.203 billion (\$327.2 million), while another traditionally poor Emirate, Ras al-Khaimah, got Dirhams 1.077 billion (\$292.9 million).

Ajman, which has also long been neglected received Dirhams 403 million, Sharjah was allocated Dirhams 798 million (\$217 million) while richer Dubai got Dirhams 536 million (\$145.8 million) and Umm al-Quwain received Dirhams 510 million (\$138.7 million).

But it must be borne in mind that these figures are not a totally accurate reflection of the level of development spending in the UAE. The relatively small sums allocated to the two richest Emirates, Abu Dhabi and Dubai, also reflect the wealth of these states' local governments, which have undertaken much of the development effort there.



### **Fujeirah got \$104 million for power and water**

According to reports in the UAE's official new agency, the Federal Ministry of Planning spent on Fujeirah Dirhams 395 million (\$107.44 million) for electricity and water projects, another Dirhams 190 million (\$51.7 million) on health development, Dirhams 652 million (\$177.3 million) on education and youth projects, Dirhams 53 million (\$14.4 million) on the Emirate's local Ministry of Justice, Dirhams 23 million (\$6.25 million) on Islamic affairs, Dirhams 116 million (\$31.5 million) on housing and public works, Dirhams 15 million (\$4 million) on cultural and information projects and Dirhams 3 million on labour affairs.

In Ras al-Khaimah, the Planning Ministry reported that low cost houses are being built at a price of Dirhams 30 million (\$8.2 million), while Dirhams 23 million (\$6.25 million) has been allocated to Justice and Islamic affairs, Dirhams 10 million (\$2.7 million) was spent on cultural and information projects, Dirhams 707 million (\$192.3 million) financed electricity and water projects and Dirhams 420 million (\$114.2 million) went to communications schemes.

Another relatively poor Emirate, Sharjah, received Dirhams 265 million (\$72.1 million) for education, Dirhams 176 million (\$46.5 million) for electricity and water development, Dirhams 268 million (\$72.9 million) for telecommunications, Dirhams 22 million (\$5.9 million) for information and cultural projects, Dirhams 8 million (\$2.2 million) for agriculture and Dirhams 3 million (\$816,000) for the local justice department.

In Ajman, the local Ministry of Communications was allocated Dirhams 112 million (\$30.5 million), the Ministry of Electricity and Water received Dirhams 195 million (\$53 million), the Ministry of Education Dirhams 37 million (\$10 million), the Ministry of Health Dirhams 14 million (\$3.8 million), the Ministry of Public Works Dirhams 18 million (\$4.9 million) and the Ministry of Justice Dirhams 15 million (\$4.1 million).

In the Emirate of Dubai, the local Ministry of Education and Youth Affairs received the lion's share of allocations with Dirhams 301 million (\$81.9 million) for the largest single education development project after that of Fujeirah. The Ministry of Health came second with Dirhams 156 million (\$42.4 million), followed by the Ministry of Communications with Dirhams 23 million (\$6.25 million), the Ministry of Public Works and Housing with Dirhams 16 million (\$4.35 million), the Ministry of Information and Culture with Dirhams 14 million (\$3.8 million) and the Ministry of Agriculture with Dirhams 6 million (\$1.6 million).

In Abu Dhabi, 37 per cent or Dirhams 445 million (\$121 million) of the emirate's total share of Dirhams 1.203 billion (\$327.2 million) went to education projects. Dirhams 138 million (\$37.5 million) was spent on informational and cultural schemes, Dirhams 77 million (\$20.9 million) went to the local Ministry of Justice, Dirhams 23 million (\$6.25 million) was allocated to agriculture, Dirhams 20 million (\$5.4 million) financed public works and housing projects and Dirhams 9 million (\$2.4 million) went to the Health Ministry.

One of the poorest emirates, Umm al-Quwain received Dirhams 212 million (\$57.6 million) for water and electricity development, Dirhams 168 million (\$45.7 million) for communications projects, Dirhams 50 million (\$13.6 million) for health schemes, almost the same amount (\$13.3 million) for education and youth affairs, and Dirhams 8 million (\$2.2 million) for information, Dirhams 6 million (\$1.6 million) for justice and Dirhams 1 million (\$272,000) for agriculture.

These figures give a clear indication not only of the UAE government's aim to create greater balance between one Emirate and another but also of the particular needs of each one. The poorest states, Ajman, Fujairah, Sharjah and Umm al-Quwain received the largest amounts for infrastructural development such as communications, water, electricity and health projects, while the richest got the biggest sums for educational, informational and cultural schemes.

CSO: 4300/91

## UNITED ARAB EMIRATES

### BRIEFS

**CONTRACT REGULATIONS ISSUED**--Contracts with the government of the Emirate of Abu Dhabi from the beginning of next year will go only to companies which have registered with the Emirate's Controller of Companies, Mohammed Mousa al-Gamzi, Under-Secretary of the Department of Planning, announced last week. He said the deadline for applications for registration is August 31. Mr Gamzi said the new rules would encompass about 1,000 contracting firms in Abu Dhabi and that companies would be divided into five categories. The aim of the measure which resembles one adopted by Kuwait, is to enable local contractors to play a more effective role in obtaining contracts for development projects in the Emirate. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 32, 10 Aug 81 p 6]

**U.S. FIRM WINS CONTRACT**--The Abu Dhabi Gas Liquefaction Company (ADGLCO), a subsidiary of ADNOC, has granted a \$320 million contract to Chicago Bridge and Iron (CBI) of Illinois to build seven gas storage tanks for the ambitious Das Island gas terminal project in the Gulf. The American manufacturers are to provide three storage tanks of 80,000 cubic metres capacity for LNG and four of 50,000 cubic metres capacity for LPG. Ancillary plant and services are also included in the contract, which is being undertaken by the firm's London-based subsidiary, CBI Constructors. Work on the order is due to start later this year and is scheduled for completion in 1985. The nature of the soil on Das Island explains the high cost of the storage tanks, which have to be built along precise specifications, including that of being blast-proof. [Text] [Paris AN-NAHAR ARAB REPORT & MEMO in English No 32, 10 Aug 81 p 8]

**ABU DHABI OIL OUTPUT**--(WAM)--The oil production of the Amirate of Abu Dhabi now is 1.5 million barrels a day. Of this 1 million BPD is produced on-shore and the rest off-shore. A number of petroleum projects are being implemented. One of them is the construction of a large refinery in the al-Ruways area. Work has almost been completed and the refinery will start production before the end of this year. Its capacity is 120,000 barrels daily, which is more than enough to meet the total consumption needs of the UAE. The surplus will be exported. Also under construction is liquefaction plant for gas produced on-shore. The plant, the first such for on-shore gas in the Gulf, is on Das Island. It will treat 550 million cubic feet of gas daily, and Japan will import the entire production for 20 years. [Excerpt] [GF071109 Dubayy KHALEEJ TIMES in English 7 Aug 81 p 3]

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